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6.1 GENERAL TERMS AND CONDITIONS – INTRODUCTORY STATEMENT

1. INTRODUCTORY STATEMENT

Except where expressly stated otherwise, the GT&C(s) will apply to all services rendered by Company under any Storage Service Agreement.

6.2 GENERAL TERMS AND CONDITIONS – DEFINITIONS

2. DEFINITIONS

“ACA” means annual charge adjustment assessed by FERC pursuant to 18 C.F.R. §382.202.

“Action Alert” has the meaning set forth in GT&C 5.5(f).

“Action Alert Index Price” has the meaning set forth in GT&C 5.5(i)(1).

“And” or “and,” when included in a list of alternatives, will be interpreted to mean all of the alternatives.

“AIO” means authorized injection overrun.

“AIO Gas” means the quantity of authorized injection overrun Gas.

“AWO” means authorized withdrawal overrun.

“AWO Gas” means the quantity of authorized withdrawal overrun Gas.

“Bcf” means one billion (1,000,000,000) cubic feet.

“Bid Evaluation Procedures” has the meaning set forth in GT&C 3.1(b).

“Btu” means one British Thermal Unit, and is the quantity of heat required to raise the temperature of one (1) pound of water from fifty-eight and five-tenths degrees (58.5°) to fifty-nine and five-tenths degrees (59.5°) Fahrenheit. The reporting basis for Btu is 14.73 psia at 60 degrees F (101.325 kPa at 15° C) and dry.

“Business Day” means Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions occurring in Canada and Mexico.

“Central Clock Time” or “CCT” means the time of day in the Central Time Zone of the United States. All times referenced in this Tariff are in CCT.

“Company” means Pine Prairie Energy Center, LLC.

“Confirm Deadline” has the meaning set forth in GT&C 34.5.

“Contract Year” means the twelve (12) month period beginning on the date storage service under a Storage Service Agreement commences and each subsequent twelve (12) month period thereafter during the term of the applicable Storage Service Agreement.

“CQ” has the meaning set forth in Section 5.9.3.

“Critical Notice” means information pertaining to Company conditions that affect scheduling or adversely affect scheduled Gas flow.

“Cubic foot of Gas” equals the volume of Gas that occupies one cubic foot at a temperature of 60 degrees Fahrenheit, a pressure of 14.73 psia, and dry. Mcf means one thousand (1,000) cubic feet and Mmcf means one million (1,000,000) cubic feet. The reporting basis for Gas volumes as Cubic feet is 14.73 psia at 60 degrees F and dry. For Gas volumes reported in cubic meters, the standard conditions are 101.325 kPa at 15 degrees C and dry.

“Customer” means any Person who enters into a Storage Service Agreement with Company. The term “Customer” includes potential customers and is synonymous with the terms “Shipper” and “Service Requester” in accordance with NAESB WGQ Standards.

“Customer Nominated Quantity” has the meaning set forth in GT&C 17.1(c).

“Customer Nominated Wheeling Quantity” has the meaning set forth in Section 5.9.2.

“CQ” has the meaning set forth in Section 5.9.3.

“Customer Nominated Wheeling Quantity” has the meaning set forth in Section 5.9.2.

“Daily Deviation Quantity” or “DDQ” means the quantity of Gas specified in Customer’s NNSA or NNSA-EU.

“Day” or “Gas Day” means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 a.m. CCT.

“#Days” has the meaning set forth in GT&C 17.1(c).

“Deviation Point(s)” means point(s) specified in Customer’s NNSA or NNSA-EU.

“Direct Fuel Use” has the meaning set forth in GT&C 19.1(a).

“Documents” has the meaning set forth in GT&C 34.1.

“Dth” means the quantity of heat energy which is equivalent to 1,000,000 Btu. One (1) Dth of Gas means the quantity of Gas which contains one (1) Dth of heat energy.

“EFT” means electronic funds transfer.

“Elapsed Prorata Capacity” means that portion of capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

“Elapsed-Prorated-Scheduled Quantity” means that portion of scheduled quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected.

“ELS” means enhanced loan service under Rate Schedule ELS.

“EPS” means enhanced parking service under Rate Schedule EPS.

“ESS” means enhanced storage service under Rate Schedule ESS.

“ESSA” means enhanced storage service agreement including Exhibits.

“EWRC” has the meaning set forth in Section 5.9.3.(g).

“EWS” means enhanced wheeling service under Rate Schedule EWS.

“Exhibits” means all attachments to Storage Service Agreements including exhibits, addendum, transaction confirmations and schedules.

“Existing Capacity” has the meaning set forth in GT&C 3.1(a).

“Expansion Capacity” has the meaning set forth in GT&C 3.1(a).

“FERC” or “Commission” means the Federal Energy Regulatory Commission or any successor agency.

“Firm Storage Service” means any service under Rate Schedules FSS, NNSS, NNSS-EU, FPS, FLS or FWS.

“FLS” means firm loan service under Rate Schedule FLS.

“FLSA” means firm loan service agreement including Exhibits.

“FPS” means firm parking service under Rate Schedule FPS.

“FPSA” means firm parking service agreement including Exhibits.

“Force Majeure” has the meaning set forth in GT&C 17.2.

“FSS” means firm storage service under Rate Schedule FSS.

“FSSA” means firm storage service agreement including Exhibits.

“FWS” means firm wheeling service under Rate Schedule FWS.

“FWSA” means firm wheeling service agreement including Exhibits.

“Fuel Charge” has the meaning set forth in GT&C 19.

“Gas” means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells and residue gas resulting from processing both casing head gas and gas well gas, and gas produced by vaporization of liquefied natural gas and natural gas received from regasification facilities of an LNG terminal.

“GT&C” or “GT&C(s)” means the General Terms and Conditions, as amended or supplemented from time to time, set forth in this Tariff.

“Governmental Authority” means any federal, state, municipal, local or similar governmental authority, regulatory or administrative agency, court or arbitral body, including FERC.

“Guarantor” has the meaning set forth in GT&C 31.5.

“HSA” means hub service agreement including Exhibits.

“IBS” means Interruptible balancing service under Rate Schedule IBS.

“ILS” means Interruptible loan service under Rate Schedule ILS.

“Imaged Documents” has the meaning set forth in GT&C 34.4.

“Index” means the price listed in the Final Daily Price Survey of Platts Gas Daily under the MidPoint column opposite the Pine Prairie Hub reference line or successor index or publication.

“Indirect Fuel Usage” has the meaning set forth in GT&C 19.1(a).

“Injection Period” means the period of time specified in Customer’s Storage Service Agreement that Customer is permitted to inject Gas.

“Internet Website” means Company’s website accessible via <http://www.gasnom.com/ip/pineprairie> or such other site as Company may designate.

“Interruptible” means that the storage, parking, wheeling, loaning or balancing service is subject to interruption at any time by Company.

“Intraday Nomination” means a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Day and runs through the end of that Day.

“IPS” means Interruptible parking service under Rate Schedule IPS.

“ISS” means Interruptible storage service under Rate Schedule ISS.

“ISSA” means Interruptible storage service agreement including Exhibits.

“IWS” means Interruptible wheeling service under Rate Schedule IWS.

“MAOP” means maximum allowable operating pressure.

“Maximum Daily Delivery Quantity” or “MDDQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Maximum Daily Injection Quantity” or “MDIQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Maximum Daily Receipt Quantity” or “MDRQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Maximum Daily Wheeling Quantity” or “MDTQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Maximum Daily Withdrawal Quantity” or “MDWQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Maximum Loan Quantity” or “MLQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Maximum Park Quantity” or “MPQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Maximum Storage Quantity” or “MSQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Month” or “Monthly” means the period beginning at 9:00 a.m. CCT on the first Day of a calendar month and ending at 9:00 a.m. CCT on the first Day of the next succeeding month.

“Moody’s” has the meaning set forth in GT&C 31.2.

“NAESB” or “North American Energy Standards Board” means that accredited organization established to set standards for certain natural gas industry business practices and procedures. “NAESB Standards” means the standardized business practices, procedures and criteria which have been adopted and published by the

WGQ of the North American Energy Standards Board and which have been adopted by reference by the Commission.

“Net Proceeds” has the meaning set forth in GT&C 32.2.

“NNIQ” has the meaning set forth in GT&C 17.1(c).

“NNSS” means no-notice storage service under Rate Schedule NNSS.

“NNSSA” means no-notice storage service agreement including Exhibits.

“NNSS-EU” means end use facility no-notice storage service under Rate Schedule NNSS-EU.

“NNSSA-EU” means end use facility no-notice storage service agreement including Exhibits.

“NNWQ” has the meaning set forth in GT&C 17.1(c).

“No-Notice Maximum Daily Quantity” or “No-Notice MDQ” means the maximum quantity of Gas, expressed in Dths, specified in Customer’s Storage Service Agreement.

“Non-Offending Customers” means Customers that did not incur penalties in the Month for which penalties revenues were received.

“OFO Index Price” has the meaning set forth in GT&C 5.5(i)(2).

“Operational Balancing Agreement” or “OBA” means an agreement between Company and another pipeline operator which specifies the procedures to manage operating variances at an interconnect.

“Operational Flow Order” or “OFO” means an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of the System or to maintain operations required to provide efficient and reliable firm service. Whenever Company experiences these conditions, any pertinent order will be referred to as an Operational Flow Order.

“Or” means one or the other or all.

“Parties” means Company and Customer including Replacement Customer.

“Person” means any individual, firm, corporation, partnership, limited partnership, limited liability company, company, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or any other entity of any kind.

“Point(s) of Delivery” means point(s) located on the System, or a third-party system used by Company to provide service to Customers pursuant to GT&C 30, specified in Customer’s Storage Service Agreement at which Company will tender Gas to Customer. “On-System” Point(s) of Delivery refers to point(s) located on Company’s physical System while “Off-System” Point(s) of Delivery refers to points located on third-party systems. “Pine_Prairie_Hub” refers to an On-System logical Point of Delivery on the System that Customers may nominate for Pooling purposes.

“Point(s) of Receipt” means point(s) located on the System, or a third-party system used by Company to provide service to Customers pursuant to GT&C 30, specified in Customer’s Storage Service Agreement at which Company will receive Gas from Customer. “On-System” Point(s) of Receipt refers to point(s) located on Company’s physical System while “Off-System” Point(s) of Receipt refers to point(s) located on third-party systems. “Pine_Prairie_Hub” refers to an On-System logical Point of Receipt on the System that Customers may nominate for Pooling purposes.

“Pooling” means (1) the aggregation of Gas from multiple physical and/or logical points to a single physical or logical point, and/or (2) the dis-aggregation of Gas from a single physical or logical point to multiple physical and/or logical points.

“Prearranged Replacement Customer” has the meaning set forth in GT&C 4.4.

“Psia” means pounds per square inch absolute.

“Qualifying Customer” has the meaning set forth in GT&C 32.2.

“RC” has the meaning set forth in GT&C 17.1(c).

“Releasing Customer” or “Releasing Shipper” means Customer who has agreed to release some or all of its rights under its Storage Service Agreement to a Replacement Customer or Replacement Shipper.

“Replacement Customer” or “Replacement Shipper” means Customer who has assumed any released rights to capacity of a Releasing Customer or Releasing Shipper.

“Request for Service Information List” means the Request for Service List form posted on Company’s Internet Website, as amended or supplemented from time to time.

“Reservation Charge Credit” has the meaning set forth in Section 5.9.3(g) and GT&C 17.1(c).

“S&P” has the meaning set forth in GT&C 31.2

“Signed Documents” has the meaning set forth in GT&C 34.4.

“Storage Inventory” means the quantity of Gas, expressed in Dths, in Customer’s storage inventory account (either positive or negative) under Rate Schedules FSS, FPS, FLS, ESS, EPS, ELS, ISS, IPS, ILS and IBS.

“Storage Service Agreement” means any of the following: FSSA, NNSSA, NNSSA-EU, FPSA, FLSA, FWSA, ESSA, ISSA, HSA or a Capacity Release Umbrella Agreement including Exhibits.

“System” means Company’s facilities located in Louisiana depicted on the System map referenced in Section 3.0.

“Tariff” means Company’s tariff on file with the FERC, as amended or supplemented from time to time.

“Title Transfer” means the change of title to Gas, expressed in Dths, between two (2) parties.

“Title Transfer Form” means the Title Transfer form posted on Company’s Internet Website, as amended or supplemented from time to time.

“Transporter” means Customer’s transporter designated to deliver Gas to Point(s) of Receipt or Customer’s transporter designated to receive Gas from Point(s) of Delivery.

“Unsecured Collateral Limit” means the amount of credit Company is willing to provide to Customer without requiring Customer to provide financial assurances.

“WGQ” means the Wholesale Gas Quadrant of NAESB.

“Withdrawal Period” means the period of time specified in Customer’s Storage Service Agreement that Customer is permitted to withdraw Gas.

Note: Additional terms indicated by capitalization and used in this Tariff have the meaning ascribed to them where first utilized.

6.3 GENERAL TERMS AND CONDITIONS – REQUEST FOR SERVICE

3. REQUEST FOR SERVICE

3.1 Procedures for Sale of Capacity.

- (a) Offer to contract to provide Firm Storage Service. Company will offer to contract with Customers to provide firm storage service by means of capacity that will first become available to Customers for firm storage service as a result of expansion of Company's storage capacity beyond its then applicable maximum certificated level of working gas capacity (any such capacity being herein referred to as "Expansion Capacity") through an open season process that is consistent with applicable FERC requirements and is described in an open season notice posted on Company's Internet Website. Company has the option to offer to contract with Customers to provide firm storage service by means of any capacity other than Expansion Capacity that becomes available for the provision of firm storage service (such capacity being herein referred to as "Existing Capacity") through the open season procedures described in GT&C(s) 3.1(b) - (f) below or via the first-come, first-served procedures described in GT&C 3.1(g) below, with the selection of procedures being at Company's sole option. For purposes of this GT&C 3.1, the term "Firm Storage Service" is intended to include service pursuant to Rate Schedules FSS, NNSS, NNSS-EU, FPS and FLS.
- (b) Notice of open season. If Company elects to conduct an open season for Existing Capacity pursuant to GT&C 3.1(a) above, Company will post notice of the open season on its Internet Website. Such notice will set forth when the open season begins and ends, the type of service being offered, how and where interested parties may submit requests for service, the criteria that will be used to evaluate bids ("Bid Evaluation Procedures"), and additional details about the open season.
- (c) Duration. An open season held pursuant to GT&C 3.1(b) above will be held for a period of not less than five (5) Business Days. During this time, Company will accept bids from Customers for the service identified in the notice of the open season.
- (d) At the conclusion of the open season, the value of each submitted bid will be determined according to the Bid Evaluation Procedures. Company reserves the right to reject any bid which (i) may detrimentally impact the operational integrity of the System, (ii) yields an economic value that is unacceptable to Company, (iii) does not satisfy all of the terms of a specific open season, (iv) does not contain all of the required information specified in the notice of the open season, (v) contains terms and conditions other than those contained in this Tariff, or (vi) does not meet the creditworthiness requirements set forth in GT&C 31. If Company rejects any request for available capacity posted pursuant to this GT&C 3.1(d), Company will notify the Customer who submitted the rejected bid of the reason(s) for such rejection via electronic transmission.
- (e) During the allocation process at the conclusion of an open season, storage capacity will be allocated to acceptable bid(s) in accordance with the Bid Evaluation Procedures.
- (f) Execution of Agreements. A Customer allocated storage capacity in an open season will be required to enter into one or more Precedent Agreements or Storage Service Agreements for Firm Storage Service no later than thirty (30) consecutive days following the close of the open season or forfeit the service that has been allocated to it.
- (g) Existing Capacity for which Company determines, pursuant to Section 3.1(a) above, that an open season will not be held will be posted on its Internet Website pursuant to Section

284.13(d)(1) of the Commission's regulations and will be allocated on a first-come, first-served basis to the first Customer offering to pay a rate for service that Company finds acceptable. From time to time, Company may negotiate with Customers for prearranged storage service for a future period or for interim service. Company will post information regarding available storage capacity on its Internet Website before it provides such information to any Customer.

- 3.2 Request for Service. Any Customer requesting new service from Company will submit to Company a request for service that complies with the information requirements of GT&C 3. Each request for new service will contain the information identified on a Request for Service Information List posted on Company's Internet Website, and such other information, if any, as may be required to comply with regulatory reporting or filing requirements imposed by Governmental Authorities. Such request may be delivered in person or submitted by United States mail, overnight courier service, electronic transmission, by telephone or by other mutually acceptable means. Company will evaluate and respond to Customer's request within five (5) Business Days of its receipt. If Company and Customer agree to parameters of service and rates such Customer will pay for service, Company will, subject to entering into a Storage Service Agreement, endeavor to provide service within the time specified in the request.
- 3.3 Additional Information.
- (a) After receipt of a request for service, Company may require Customer to furnish additional information as a prerequisite to Company offering to enter into a Storage Service Agreement with such Customer. Such information may include proof of Customer's lawful right or title to cause the Gas to be delivered to Company for service under this Tariff and of Customer's contractual or physical ability to cause such Gas to be delivered to and received from such Customer's designated Point(s) of Delivery or Point(s) of Receipt.
- (b) Should Customer desire Company to provide service pursuant to Section 311 of the Natural Gas Policy Act, it will provide to Company a statement warranting that it complies with all requirements for receiving service pursuant to Section 311 and FERC's regulations, including, but not limited to, compliance with the "on-behalf-of" requirement then in effect.
- 3.4 Request Validity. If Company tenders a Storage Service Agreement to Customer and Customer fails to enter into the agreement as tendered within thirty (30) days from the date it receives the agreement, Company may consider Customer's service request void. Company will not be required to tender a Storage Service Agreement for Firm Storage Service to Customer that relates to requests for service for which Company does not have sufficient available firm capacity.
- 3.5 Customer's Performance. Upon request by Company, Customer is required to provide to Company information identifying (1) the state or origin of the source of Gas that is to be stored or wheeled and (2) such other information if required in order for Company to comply with any FERC reporting or other requirements.
- 3.6 Complaint. In the event that Customer has a complaint relative to service under this Tariff, Customer will provide a description of the complaint, including the identification of the service request (if applicable), and communicate it to:

Pine Prairie Energy Center, LLC
Commercial Development, Natural Gas Storage
P.O. Box 1396
Houston, Texas 77251-1396
Email: PinePrairiecommercial@williams.com

Company will respond initially within forty-eight (48) hours and in writing within thirty (30) days of receipt of the complaint advising Customer of the disposition of the complaint. In the event the required date of Company's response falls on a Saturday, Sunday or a holiday, Company will respond by the next Business Day.

3.7 Information.

(a) Any Person may request information regarding service under this Tariff by contacting:

Pine Prairie Energy Center, LLC
Commercial Development, Natural Gas Storage
P.O. Box 1396
Houston, Texas 77251-1396
Email: PinePrairiecommercial@williams.com

(b) Company will post on its Internet Website contact information for Company's Gas Schedulers, who are on call twenty-four (24) hours a day.

3.8 Construction of Facilities. Company will not be required to provide any service under any Rate Schedule which would require construction or acquisition by Company of new facilities, or expansion of existing facilities.

6.4 GENERAL TERMS AND CONDITIONS – CAPACITY RELEASE

4. CAPACITY RELEASE

Customers under Rate Schedules for firm service under Rate Schedules FSS, NNSS, NNSS-EU, FPS, FLS, and FWS may seek to release to others any or all of its firm service entitlements on a full Day or an intraday basis, on a permanent or a temporary basis, and on a firm or recallable basis (i.e., for a stated period of time), subject to the following terms and conditions:

- 4.1 Notice of Offer. Customer offering to release service entitlements will post the terms of its proposed release on Company's Internet Website by the posting deadline as determined pursuant to GT&C 4.3 below. If Customer is unable to post information on Company's Internet Website, Customer will notify Company of the terms of its offer, by the posting deadline as determined pursuant to GT&C 4.3 below, and Company will post this information on its Internet Website. Customer may propose a designated Prearranged Replacement Customer to which the capacity would be released. Offers will be binding unless written notice of withdrawal is received by Company prior to the close of the applicable bid period; provided, however, such withdrawal will only be valid if such Customer has an unanticipated requirement for such capacity and no minimum bid has been made. The notice must contain the reason for withdrawal which Company will post on its Internet Website. The offer will contain the following minimum information:
- (a) Customer's legal name and the name/title of individual who has authorized the offer to release;
 - (b) Company's Storage Service Agreement number;
 - (c) A description of the capacity to be released, including the MSQ, MPQ or MLQ, , MDRQ, MDDQ, MDIQ, MDWQ, MDTQ, as applicable, and associated Point(s) of Receipt and Point(s) of Delivery (Replacement Customer may request changes to Receipt and Delivery Point(s) subject to the proposed release and subject to the daily quantity limitations described in GT&C 4.2 below);
 - (d) The proposed effective date and term of the release;
 - (e) The identity of any designated Prearranged Replacement Customer (pursuant to GT&C 4.4), a statement as to whether Prearranged Replacement Customer is an asset manager (as defined in 18 C.F.R. § 284.8(h) (3)) or marketer participating in a state-regulated retail access program (as defined in 18 C.F.R. § 284.8(h) (4)), and the full terms of such prearranged release;
 - (f) The method to be applied in evaluating bids, allocating capacity and breaking ties, as described below;
 - (g) Whether, to what extent, and the conditions pursuant to which capacity will be subject to recall for a full Day or an intraday basis; if recallable, (1) whether Releasing Customer's recall notification must be provided exclusively on a Business Day, and (2) any reput methods and rights associated with returning the previously released capacity to Replacement Customer;
 - (h) Whether bids on a volumetric rate basis may be submitted, and, if so, the method for evaluating any such bids, including how to rank bids if bids are also to be accepted on a demand charge basis, and any other special conditions;

- (i) Whether contingent bids that extend beyond the bid period may be submitted, how to evaluate and prioritize such bids against non-contingent bids, and the terms and conditions under which, and/or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder withdraw its bid;
- (j) Any extensions of minimum posting/bid periods;
- (k) Whether Releasing Customer desires to utilize the first-come, first-served option for short-term releases described in GT&C 4.6 below and any minimum terms applicable thereto;
- (l) Other special terms and conditions Releasing Customer imposes on the release of its capacity, including, but not limited to, minimum rates, term and quantity;
- (m) For a non index-based release, whether to specify dollars and cents or percents of rates in the denomination of bids or, for an index-based release, the offer will specify the index-based formula;
- (n) Whether the release is on a permanent or a temporary basis;
- (o) An electronic address for Releasing Customer's contact person. It is Releasing Customer's responsibility to update electronic address information provided to Company, as necessary;
- (p) The recall notification period(s), as identified in GT&C 4.13(e) below, that will be available for use by the parties; and
- (q) For releases of storage capacity, a detailed description of any Storage Inventory that must be transferred with the storage capacity.

4.2 Intraday Release Quantity. The daily contractual entitlement that can be released by Releasing Customer for an intraday release is limited to the lesser of:

- (a) The quantity contained in the offer submitted by Releasing Customer; or
- (b) A quantity equal to 1/24th of Releasing Customer's MDDQ, MDIQ, MDRQ, MDWQ or MDTQ for the Storage Service Agreement to be released multiplied by the number of hours between the effective time of the release and the end of the Day.

This allocated daily contractual entitlement will be used for purposes of nomination, billing, and if applicable, for overrun calculation.

The MSQ, MPQ or MLQ that can be released by Releasing Customer for an intraday release is limited to a quantity not in excess of Releasing Customer's MSQ, MPQ or MLQ, less Releasing Customer's Storage Inventory.

4.3 Posting and Bidding Timeline. For the capacity release business process timing model, only the following methodologies will be supported by Company and provided to Releasing Customers as choices from which they may select and, once chosen, will be used in determining the awards from the bid(s) submitted. They are: (1) highest rate, (2) net revenue and (3) present value. For index-based capacity release transactions, Releasing Customer must provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Customer defined evaluation methodologies) can be accorded similar timeline evaluation treatment at Company's discretion; however, Company is not required to offer other choices or similar timeline treatment for other choices. Further, Company will not be held to the timeline specified in GT&C(s) 4.3(a) and 4.3(b) below should Releasing Customer elect another

method of evaluation. Should Releasing Customer elect another method of evaluation, the timeline specified in GT&C 4.3(c) below will apply. The proposed duration of Customer's release determines the minimum bid period for Customer's offer pursuant to GT&C 4. The Capacity Release timeline is applicable to all Parties involved in the capacity release process provided that: (i) all information provided by the Parties to the transaction is valid and Replacement Customer is determined to be creditworthy before the capacity release bid is tendered, (ii) for index-based capacity release transactions, Releasing Customer has provided Company with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (iii) there are no special terms or conditions of the release. Further, Company may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g., designation of an index not supported by Company).

The Capacity Release timeline is as follows:

(a) For biddable releases (one (1) year or less):

- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.

Company will issue a Storage Service Agreement within one (1) hour of the award posting (with a new agreement number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the Storage Service Agreement. Such nominations will be processed in accordance with the nomination and scheduling requirements of GT&C 8; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer.

(b) For biddable releases (more than one (1) year):

- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season will include no less than three (3) 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 Noon.

Company will issue a Storage Service Agreement within one (1) hour of the award posting (with a new agreement number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the Storage Service Agreement. Such nominations will be processed in accordance with the nomination and scheduling requirements of GT&C 8; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer.

- (c) **Timeline for Non-Standard Releases.** If Customer specifies a bid evaluation methodology other than those stated in GT&C 4.3 or specifies any special terms or conditions, the above timelines will apply; provided, however, one (1) additional Business Day will be added to the evaluation period. Subsequent deadlines will be delayed by such additional Business Day, causing Gas flow to occur at least one (1) Day later than under the standard timelines set forth in GT&C(s) 4.3(a) and 4.3(b).
- (d) **Releases Not Subject to Bidding.** Prearranged capacity releases of a duration of thirty-one (31) Days or less, to an asset manager (as defined in 18 C.F.R. § 284.8(h)(3)) or to a marketer participating in a state-regulated retail access program (as defined in 18 C.F.R. § 284.8(h)(4)) are not required to be posted for bidding pursuant to GT&C 4.3. Nonetheless, Releasing Customer may elect to post one of the foregoing releases for bidding pursuant to GT&C 4.3. Releasing Customer will notify Company of the foregoing releases by providing the information pursuant to GT&C 4.1, which information will be posted on Company's Internet Website (as required by GT&C 4.5).

For non-biddable releases: the posting of prearranged deals that are not subject to bid are due no later than one (1) hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:

- Timely Cycle 12:00 Noon
- Evening Cycle 5:00 p.m.
- Intraday 1 Cycle 9:00 a.m.
- Intraday 2 Cycle 1:30 p.m.
- Intraday 3 Cycle 6:00 p.m.

Prior to the nomination deadline for the chosen cycle for the begin date specified in Releasing Customer's notice, Prearranged Replacement Customer must initiate confirmation of prearranged deals electronically. Company will issue a Storage Service Agreement within one (1) hour of notification of the release (with a new agreement number, when applicable). Nominations for Gas flow are possible beginning at the next available nomination cycle for the effective date of the Storage Service Agreement. Such nominations will be processed in accordance with the nomination and scheduling requirements of GT&C 8; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Customer's offer. If a release of capacity is exempt from bidding because it is for a term of thirty-one (31) days or less, Releasing Customer may not roll-over, extend, or in any way continue the release to same Replacement Customer using the thirty-one (31) day or less bidding exemption, unless Releasing Customer complies with the posting and bidding requirements of GT&C 4.3 or not less than twenty-eight (28) days have elapsed since the conclusion of the prior release period.

Company will post offers and bids, including prearranged deals, upon receipt, unless Releasing Customer requests otherwise. If Releasing Customer requests a posting time, Company will support such request insofar as it comports with the standard timeline specified in WGQ Standard 5.3.2. Releasing Customer cannot specify an extension of the original bid period or the prearranged deal match period, without posting a new release.

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- 4.4 Prearranged Releases. Releasing Customer may designate an entity (a designated “Prearranged Replacement Customer”) to which it has agreed to release the capacity upon specified terms and conditions. Customer’s offer to release under such a prearranged transaction will be subject to the prior posting and bidding procedures described in GT&Cs 4.5 and 4.6, herein, with the designated Prearranged Replacement Customer being given a right to match the best bid submitted during the bid period; provided, however, if a prearranged transaction with a Prearranged Replacement Customer is for a period of thirty-one (31) Days or less, to an asset manager (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(3)) or to a marketer participating in a state-regulated retail access program (as defined by FERC regulations at 18 C.F.R. § 284.8(h)(4)), Releasing Customer will provide notice to Company in accordance with this GT&C and may implement the release without complying with such prior posting and bidding procedures. Notices of such exempted releases will be posted on Company’s Internet Website in accordance with GT&C 4.3 herein.
- 4.5 Posting. Following receipt of a notice of offer to release capacity which satisfies the requirements set forth in this GT&C, Company will post such information on its Internet Website in accordance with the timeline set forth in GT&C 4.3 herein. Company will also post offers to purchase capacity from those who desire current Customers to release capacity upon receipt of the applicable information as set forth below.

Any party desiring to acquire released firm storage capacity pursuant to GT&C 4.5 must submit its purchase offer information to Company in accordance with instructions posted on its Internet Website under Notices-Request to Purchase Releasable Capacity, by electronic transmission to the address specified in the instructions.

Such requests must include, at a minimum, the prospective Replacement Customer’s name and contact information, the effective date of the offer and the termination date of the offer; the MSQ, MPQ, MLQ, MDIQ, MDWQ or MDTQ desired, the desired commencement date and term of service, the desired primary receipt and delivery points and the associated MDRQ and MDDQ for service; the rate(s) that Replacement Customer will offer to pay for the service; whether Replacement Customer will accept a release with recall rights, and if so, what recall rights would be acceptable, and whether Replacement Customer’s request is contingent, and if so, the basis for the contingency and other terms and conditions specified by the prospective Replacement Customer, and any additional information as required by Company. Upon receipt of a complete offer to purchase releasable capacity from a prospective Replacement Customer, Company will post the offer on the public Informational Postings section of its Internet Website under Notices – Request to Purchase Releasable Capacity. All Replacement Customers must satisfy Company’s creditworthy standards. Company will maintain purchase offer postings for a minimum of thirty (30) days, until the offer is terminated or until a transaction is affected, whichever is shorter.

- 4.6 Bidding and Selection of Replacement Customer.
- (a) If Releasing Customer desires to solicit bids for releases of thirty-one (31) Days or less, it may direct Company to post notice of the availability of such capacity and, in lieu of permitting bids during the otherwise applicable posting period, Releasing Customer may direct Company to award the capacity to the bidder which submits first in time a valid bid meeting any minimum terms specified by Releasing Customer.
- (b) Any bid submitted by a prospective Replacement Customer will include an electronic address for at least one (1) contact person, and it is Replacement Customer’s responsibility to update electronic address information provided to Company, as necessary. A bidder may not have more than one (1) eligible bid for the same release offer at any time. Bids will be binding until written or electronic notice of withdrawal is received by Company on its Customer Activities Website before the end of the bid period. Bids cannot be withdrawn

after the bid period ends. Once a bid is withdrawn, that bidder may only submit a new bid pursuant to that release offer if it is at a higher rate than the withdrawn bid.

- (c) Company will evaluate the bids in accordance with the provisions of GT&C 4.7 below and determine the best bid in accordance with the timelines set forth in GT&C 4.3 above. Company will notify Releasing Customer, the best bidder, and any designated Prearranged Replacement Customer of such determination in accordance with the timelines set forth in GT&C 4.3 above. If there is a designated Prearranged Replacement Customer, it may exercise its right to match such best bid by providing written notice of such exercise to Company and Releasing Customer in accordance with the timelines set forth in GT&C 4.3 above. After Replacement Customer is selected, Company will finalize an appropriate Addendum to the Capacity Release Umbrella Agreement in the form contained in this Tariff. Company will provide a copy of the Addendum to Replacement Customer via electronic transmission, at which time Replacement Customer will have the same rights and obligations as any other existing Customer on the System.

Following implementation of the release, Company will post notice of the winning bidder on its Internet Website.

- 4.7 Best Bid. When Company makes awards of capacity for which there have been multiple bids meeting minimum conditions, Company will award the bids, best bid first, until all offered capacity is awarded. The capacity being awarded represents the MDIQ, MDWQ, MSQ, MPQ, MLQ, MDRQ, MDDQ or MDTQ. These quantities are separate parts of the capacity and are awarded until one of the quantities is fully awarded, at which point all capacity is deemed to be fully awarded. Company will evaluate and determine the best bid among those otherwise consistent with any terms and conditions specified by Releasing Customer as follows:

- (a) Company will apply the standard or criteria for such determination specified by Releasing Customer, including the standard to be used for breaking ties. Any standard or criteria so specified must be objective, economic, not unduly discriminatory, not contrary to applicable provisions of this Tariff, applicable to all prospective Replacement Customers and require Company in applying such standard to exercise no more than a ministerial function. Releasing Customer will indemnify and hold Company harmless from and against all demands, losses, claims, expenses, causes of action and/or damages suffered or incurred by Company arising out of or related to any determination of a “best bid” pursuant to a standard specified, supplied, approved or provided by Releasing Customer.
- (b) In default of Releasing Customer specifying a bid evaluation standard, Company will determine the bid or bids generating the highest net present value, using a ten percent (10%) discount factor, based on the rate bid (reservation or demand component), the applicable quantity(ies) and term or period bid upon. In default of Releasing Customer specifying a method to break ties priority will be given first to the bid with the shortest term, and next to the bid submitted first in time.

- 4.8 Qualification of Prospective Replacement Customer. Prospective Replacement Customer must be on Company’s approved bidders list before bids may be posted on its Internet Website, must satisfy all requirements of the applicable Rate Schedule and the GT&C(s) and must have entered into a Capacity Release Umbrella Agreement. To be on the approved bidders list, prospective Replacement Customer must satisfy Company’s credit requirements as outlined in GT&C 31, and, if applicable, provide the information required by GT&C 3. Company will apply its creditworthiness criteria to assess the submission. Prospective Replacement Customer will remain on the approved bidders list until such prospective Replacement Customer (i) notifies Company to the contrary, (ii) no longer meets the credit qualifications established in GT&C 31, or (iii) is suspended from the approved bidders list in the event, and for such time as, such Replacement or Prearranged

Replacement Customer fails to pay part or all of the amount of any bill for service in accordance with GT&C 14. Company will waive the creditworthiness requirement on a non-discriminatory basis for Replacement Customers and permit them to submit bids, if Releasing Customer provides Company with financial assurance in form and substance satisfactory to Company of all financial obligations of Replacement Customer with respect to the capacity being released by Releasing Customer prior to the commencement of service to Replacement Customer. Company will not award capacity release offers to prospective Replacement Customer until and unless Customer meets Company's creditworthiness requirements applicable to all services that it receives from Company, including the service represented by the capacity release.

- 4.9 Nominations. Following its selection, and prior to the flow of Gas, Replacement Customer will be permitted to submit nominations pursuant to the terms and conditions of the applicable Rate Schedule and the GT&C(s).
- 4.10 Billing. Replacement Customer will be billed and make payments to Company in accordance with the applicable Rate Schedule, other provisions of this Tariff and of its Storage Service Agreement incorporating its bid terms. In accordance with the terms of the release, Replacement Customer will pay or be liable for the usage charges (plus all applicable surcharges, Fuel Charge, taxes, penalties, etc.) applicable under the relevant Rate Schedule attributable to its usage of the released capacity. Company will continue to bill Releasing Customer all applicable charges under its existing Storage Service Agreement, excluding usage charges (plus all applicable surcharges, Fuel Charge, taxes, penalties, etc.) billed to Replacement Customer and attributable to Replacement Customer's usage of the released capacity. Invoices sent to Releasing Customer will reflect a credit equal to any reservation charges (plus all applicable surcharges) being billed to Replacement Customer for the released capacity rights, or as otherwise agreed. If Replacement Customer fails to pay when due all or part of the amounts credited to Releasing Customer, Company will pursue payment from Replacement Customer by notifying such Customer that it has five (5) days from receipt of such notice to pay the amount due including any applicable interest. If Replacement Customer fails to pay such amount by the end of the fifth (5th) day, Company will reverse the credit and bill Releasing Customer for such past due amounts, plus applicable interest.
- 4.11 Rights and Obligations of the Parties.
- (a) The Storage Service Agreement between Releasing Customer and Company will remain in full force and effect with Releasing Customer to receive a credit to its invoice as described in GT&C 4.10 above. If Replacement Customer fails to pay all or part of the amounts credited to Releasing Customer after the five (5) Day notification period specified in GT&C 4.10, Company will reverse the credit and bill Releasing Customer for such past due amounts, plus applicable interest. The Storage Service Agreement entered into by Replacement Customer will be fully effective and enforceable by and against Replacement Customer. Replacement Customer may also release capacity pursuant to this GT&C, and in such event and for such purposes, will be considered Releasing Customer.
- (b) Company will accept nominations, schedule service, afford priority of service and interrupt service based on instructions and communications from Releasing Customer and Replacement Customer which are consistent with one another and with the terms and conditions of this Tariff and respective Storage Service Agreements. In the event that instructions or nominations from Releasing Customer and Replacement Customer are, in Company's opinion, inconsistent or conflicting, Company will comply with the instructions of Releasing Customer; provided, however, that such instructions must not be inconsistent with this Tariff or the terms of either Releasing Customer's or Replacement Customer's Storage Service Agreement, in Company's opinion. Releasing Customer will indemnify Company against any claim or suit by Replacement Customer, its successors or assigns arising from any action taken by Company in reliance upon Releasing Customer's

nominations and instructions and will hold Company harmless for any action taken by Company in reliance upon the nominations and scheduling instructions of Replacement Customer; provided, however, that Releasing Customer will not be liable for Replacement Customer's failure to pay the usage charges (plus all applicable surcharges, Fuel Charge, taxes, penalties, etc.) billed to Replacement Customer and attributable to its usage of the released capacity. Replacement Customer will indemnify Company against any claim or suit by Releasing Customer, its successors or assigns, arising from any action taken by Company in reliance upon the nominations and scheduling instructions of Replacement Customer and will hold Company harmless for any actions taken by Company in reliance upon the instructions of Releasing Customer.

- 4.12 Marketing Fee. If Company and Releasing Customer so agree, Company may receive a negotiated fee for its marketing efforts.
- 4.13 Limitations.
- (a) Releases and assignments hereunder will be for period(s) of one (1) or more Day(s) and the maximum term will not extend beyond the expiration of this Tariff provision or beyond the expiration of Releasing Customer's Storage Service Agreement.
 - (b) Company may invalidate any offer to release or any bid subsequent to its posting on its Internet Website which does not conform to the requirements of this GT&C and the other provisions of this Tariff and such invalidated offer or bid will be deemed null and void.
 - (c) Any terms and conditions imposed on the offer to release by Releasing Customer as provided for in GT&C 4 must be objectively stated, reasonable, capable of administration or implementation by Company without any material increase in burden or expense, applicable to all potential bidders, not unduly discriminatory, and consistent with the terms and conditions of this Tariff and Releasing Customer's Storage Service Agreement.
 - (d) Releasing Customer may re-release to the same Replacement Customer, where such first release was not subject to posting and bidding pursuant to GT&C 4.4, for a term of thirty-one (31) Days or less, only if: (i) a period of twenty-eight (28) Days has elapsed after the first release for thirty-one (31) Days or less has expired; (ii) Point(s) of Receipt and/or Point(s) of Delivery for the re-release is (are) different from Point(s) of Receipt and/or Point(s) of Delivery of the first release; (iii) Releasing Customer causes the posting of an offer to release capacity or of a prearranged transaction to be made, and capacity is allocated on the basis of bids submitted; or (iv) the release is not subject to bidding and posting under the provisions applicable to asset managers and state regulated retail access programs.
 - (e) Recall Provisions. If Releasing Customer retains recall rights, Releasing Customer's offer to release capacity will clearly specify the conditions precedent to such recall and whether the recall right retained by Releasing Customer is on a full Day or partial Day basis. Releasing Customer will provide capacity recall notification to Company via its Internet Website. The recall notification will specify the recall notification period for the specified effective Day, as well as any other information needed to uniquely identify the capacity being recalled. Company will support the following recall notification periods for all released capacity subject to recall rights:

- (1) Timely Recall Notification:
 - (A) Releasing Customer recalling capacity should provide notice of such recall to Company and first Replacement Customer no later than 8:00 a.m. on the Day that Timely Nominations are due; and
 - (B) Company will provide notification of such recall to all affected Replacement Customers no later than 9:00 a.m. on the Day that Timely Nominations are due.
- (2) Early Evening Recall Notification:
 - (A) Releasing Customer recalling capacity should provide notice of such recall to Company and first Replacement Customer no later than 3:00 p.m. on the Day that Evening Nominations are due; and
 - (B) Company will provide notification of such recall to all affected Replacement Customers no later than 4:00 p.m. on the Day that Evening Nominations are due.
- (3) Evening Recall Notification:
 - (A) Releasing Customer recalling capacity should provide notice of such recall to Company and first Replacement Customer no later than 5:00 p.m. on the Day that Evening Nominations are due; and
 - (B) Company will provide notification of such recall to all affected Replacement Customers no later than 6:00 p.m. on the Day that Evening Nominations are due.
- (4) Intraday 1 Recall Notification:
 - (A) Releasing Customer recalling capacity should provide notice of such recall to Company and first Replacement Customer no later than 7:00 a.m. on the Day that Intraday 1 Nominations are due; and
 - (B) Company will provide notification of such recall to all affected Replacement Customers no later than 8:00 a.m. on the Day that Intraday 1 Nominations are due.
- (5) Intraday 2 Recall Notification:
 - (A) Releasing Customer recalling capacity should provide notice of such recall to Company and first Replacement Customer no later than 12:00 p.m. on the Day that Intraday 2 Nominations are due; and
 - (B) Company will provide notification of such recall to all affected Replacement Customers no later than 1:00 p.m. on the Day that Intraday 2 Nominations are due.

- (6) Intraday 3 Recall Notification:
- (A) Releasing Customer recalling capacity should provide notice of such recall to Company and first Replacement Customer no later than 4:00 p.m. on the Day that Intraday 3 Nominations are due; and
 - (B) Company will provide notification of such recall to all affected Replacement Customers no later than 5:00 p.m. on the Day that Intraday 3 Nominations are due.

For recall notification provided to Company prior to the recall notification deadline specified above and received between 7:00 a.m. CCT and 5:00 p.m. CCT, Company will provide notification to all affected Replacement Customers no later than one (1) hour after receipt of such recall notification. For recall notification provided to Company after 5:00 p.m. CCT and prior to 7:00 a.m. CCT, Company will provide notification to all affected Replacement Customers no later than 8:00 a.m. CCT after receipt of such recall notification.

Company's notices of recalled capacity to all affected Replacement Customers will be provided via its Internet Website, along with written notice via electronic transmission to those Replacement Customer contact person(s) identified in Replacement Customer's bid submitted pursuant to GT&C 4.6. Such notices will contain the information required to uniquely identify the capacity being recalled, and will indicate whether penalties will apply for the Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from Company, each affected Replacement Customer will revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Customer will be solely responsible for adjusting its supply and transportation arrangements, which may be necessary as a result of such recall. Replacement Customers involved in re-release transactions may receive notice slightly after first Replacement Customer receives notice. Recalling Releasing Customer may nominate the recalled capacity consistent with the applicable nomination cycle, as defined in GT&C 8.2(f).

- (f) Partial Day Recall Quantity. The daily contractual entitlement that can be recalled by Releasing Customer for a partial Day recall is a quantity equal to the lesser of:
- (1) The quantity specified in Releasing Customer's notice to recall capacity; or
 - (2) The difference between the quantity released by Releasing Customer and the Elapsed Prorata Capacity.

In the recall notification provided to Company by Releasing Customer, the quantity to be recalled will be expressed in terms of the adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. In the event of an intraday capacity recall, Company will determine the allocation of capacity between Releasing Customer and Replacement Customer(s) based upon the Elapsed Prorata Capacity.

The amount of capacity allocated to Replacement Customer(s) will equal the original released quantity less the recalled capacity. This allocated daily contractual quantity will be used for purposes of nominations, billing, and, if applicable, for overrun calculations. As a result of the allocation of capacity described in this GT&C, Company will not be obligated to deliver a combined quantity to Releasing Customer and Replacement Customer(s) that is in excess of the total daily contract quantity of the release.

- (g) Reput Provisions. Company will support the function of reputting by Releasing Customer. Releasing Customer may reput previously recalled capacity to Replacement Customer pursuant to the reput rights and methods identified in Releasing Customer's Notice to release capacity, as required by GT&C 4.1(g). When capacity is recalled, such capacity may not be reput for the same Day. The deadline for Releasing Customer to notify Company of a reput of capacity is 8:00 a.m. CCT to allow Replacement Customer to submit timely nominations for Gas to flow on the next Day.
- (h) Following the awarding of capacity to Replacement Customer in accordance with the procedures provided in GT&C 4, Releasing Customer's rights and Company's obligations under Releasing Customer's Storage Service Agreement will be modified and subject to the capacity rights released and assigned to Replacement Customer for the term of such release. Effecting a release pursuant to the provisions of this GT&C 4 will constitute Releasing Customer's consent and agreement to such amendment or modification of its existing Storage Service Agreement.
- (i) The offer to release by Customer under Firm Storage Service Rate Schedules must specify the quantities of MDDQ, MDRQ, MSQ, MPQ, MLQ, MDIQ, MDWQ, or MDTQ as applicable, or rights offered, and actually available on the effective date of the assignment, and the exercise of which rights, in conjunction with Releasing Customer's exercise of its retained rights, will not violate any maximum or minimum quantity requirements or limitations applicable under the Rate Schedule or the respective Storage Service Agreements. Releasing Customer will be responsible for ensuring that the Storage Service quantities offered for release will be available upon the commencement of the release, in accordance with the terms and conditions of the applicable Rate Schedule. Replacement Customer under Rate Schedules FSS, NNSS, NNSS-EU, FPS, FLS, or FWS will be responsible for arranging transportation to and from Point(s) of Receipt and Point(s) of Delivery consistent with its rights and obligations under its Storage Service Agreement and Rate Schedules FSS, NSS, FPS, FLS, or FWS. Replacement Customer must comply with all obligations imposed under such Rate Schedule and its rights to store, withdraw and/or inject Gas will be subject to the provisions thereof. If Releasing Customer proposes to or requires a transfer-in-place of the portion of its Storage Inventory in conjunction with its release and assignment of storage capacity rights, it will so specify in its offer to release and such transfer will be implemented contemporaneously with the release and assignment subject to compliance with the provisions of GT&C 20. Replacement Customer must withdraw the portion of its Storage Inventory by the end of the term of the release. In lieu of withdrawing the portion of its Storage Inventory, Replacement Customer can also attempt to affect a transfer of the portion of its Storage Inventory to another storage service Customer as provided in GT&C 20. If Replacement Customer fails to withdraw or transfer the portion of its Storage Inventory by the end of the term of its release, title to the portion of Customer's remaining Storage Inventory will be vested, at no cost, in Releasing Customer which released its capacity to Replacement Customer on a temporary basis.

4.14 Company's Right to Terminate Temporary Capacity Release.

- (a) In the event of a temporary release for which (1) Company has given notice of termination of Releasing Customer's Storage Service Agreement pursuant to GT&C 28 and (2) the reservation charge specified in the effective Replacement FSSA, Replacement NNSA, Replacement NNSA-EU, Replacement FPSA, Replacement FLSA, Replacement FWSA or Addendum to the Replacement or Prearranged Replacement Customer's Capacity Release Umbrella Agreement is less than the level of the reservation charge which Releasing Customer was obligated to pay Company, then Company will be entitled to terminate the capacity release upon thirty (30) days' written notice to Replacement or Prearranged Replacement Customer, unless the Replacement or Prearranged Replacement

Customer agrees prior to the end of said thirty (30) day notice period to pay for the remainder of the term of the capacity release either (i) the reservation and commodity charges at levels which Releasing Customer was obligated to pay Company, or (ii) such rate as mutually agreed by Company and Replacement or Prearranged Replacement Customer. Customer may elect to pay the lesser of the two (2) foregoing options. Company's right to terminate the is subject to Company providing written notice of termination to the Replacement or Prearranged Replacement Customer within thirty (30) days of the determination by Company that Releasing Customer no longer satisfies Company's credit requirements. Termination of the capacity release will not occur prior to termination of Releasing Customer's agreement.

- (b) In the event that Customer has received thirty (30) days' notice of termination pursuant to GT&C 4.14(a) above for storage service and there is Gas in storage for Customer's account at the end of such thirty (30) day period, the capacity release will continue in force and effect for the sole purpose of withdrawal of said Gas by Customer until Customer's Storage Inventory is zero (0). Company will require Customer to withdraw each Day a quantity equal to the MDWQ, or such other lesser quantity acceptable to Company. The requirement to withdraw storage quantities will be suspended on any Day to the extent that Company cannot accommodate a nomination or withdraw such storage quantities on such Day. Customer may also transfer title of Gas remaining in Customer's Storage Inventory to another Customer pursuant to GT&C 20. In the event Customer fails to withdraw its entire Storage Inventory within the time required by this GT&C, Company will auction any remaining Storage Inventory in accordance with GT&C 32. Customer will indemnify Company and hold Company harmless from all costs, damages and liabilities arising out of the failure of Customer to remove such Storage Inventory and the disposal of such Storage Inventory by sale by Company. Company will post such quantities on its Internet Website as soon as reasonably practicable. Company will accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the second (2nd) Business Day following such posting. Prior to 4:00 p.m., CCT of the same Day, Company will notify Customer submitting the highest bid. When the Gas is purchased at auction, Customer purchasing the Gas must provide identification of the existing Storage Service Agreement with Company under which Customer will store or wheel all such Gas purchased. Customer purchasing the Gas agrees to pay the applicable storage and/or hub rates on the Gas purchased beginning on the date the bid was accepted at auction.
- (c) Company will provide original Releasing Customer with electronic notification reasonably proximate in time with any of the following formal notices given by Company to Releasing Customer's Replacement Customer(s), of the following:
- (1) Notice to Replacement Customer regarding Replacement Customer's past due, deficiency, or default notice status pursuant to this Tariff;
 - (2) Notice to Replacement Customer regarding Replacement Customer's suspension of service notice;
 - (3) Notice to Replacement Customer regarding Replacement Customer's agreement termination notice due to default or credit-related issues; and
 - (4) Notice to Replacement Customer that Replacement Customer(s) is no longer creditworthy and has not provided financial assurances pursuant to this Tariff.

6.5 GENERAL TERMS AND CONDITIONS – PRIORITY, INTERRUPTION OF SERVICE AND OFOS

5. PRIORITY, INTERRUPTION OF SERVICE AND OFOS

- 5.1 Priority of Service. Any Customer which has entered into a Storage Service Agreement with Company will be entitled to service in the following order of declining priority, as applicable based on operational constraint(s):
- (a) Firm Storage Service at primary Point(s) of Receipt, not in excess of MDRQ, and at primary Point(s) of Delivery, not in excess of MDDQ.
 - (b) Firm Storage Service that includes secondary point rights (i) at secondary Point(s) of Receipt, (ii) at secondary Point(s) of Delivery, (iii) at primary Point(s) of Receipt in excess of MDRQ, but less than or equal to MDIQ, and (iv) at primary Point(s) of Delivery in excess of MDDQ but less than or equal to MDWQ.
 - (c) ESS, EPS, ELS and EWS pursuant to GT&C 5.2 below.
 - (d) AIO and AWO and Interruptible service, other than as set forth in GT&C 5.1(c), including storage, parking, wheeling, loaning and/or balancing pursuant to GT&C 5.2 below.
 - (e) Make-up volumes to correct prior variances between (i) Transporter and the counterparty to a balancing agreement (pursuant to such agreement), (ii) Customer and Company, and (iii) Customer and Transporter if the variance was due to Company's failure to receive or deliver Customer's scheduled volumes.
 - (f) Extended injections in excess of MDRQ/24 or extended withdrawals in excess of MDDQ/24 for Firm Storage Service.

If a capacity constraint is anticipated or planned (for example, due to System maintenance), Company will post a notice of the anticipated constraint on its Internet Website at least forty- eight (48) hours, or as soon as practicable, in advance of the start of the constraint period.

- 5.2 The order of priority related to service requests for AIO, AWO and service under Rate Schedules ESS, EPS, ELS, EWS, ISS, IPS, IWS, ILS and IBS will be allocated to each Customer in the same manner as specified in GT&C 5.3 below.

5.3 Interruption.

- (a) If on any Day Company is unable to deliver, balance, loan, inject, park, store, wheel, withdraw, or receive, as applicable, all quantities that are nominated and scheduled, then interruption of service impacted by the operational constraint will be implemented in the reverse order of priority set forth in GT&C 5.1 above; provided that, once scheduled, secondary firm service has the same priority as primary firm service, as set forth in GT&C 5.1(a) above. If Firm Storage Service must be interrupted, interruption of service to firm storage Customers will be pro rata according to quantities nominated or scheduled for each Customer. Interruption of service to Customers under Rate Schedules ESS, EPS, ELS and EWS will be based on the charges applicable to each Customer for the portion(s) of service subject to interruption, with the transaction with the lowest economic value to Company being interrupted first. Any ties will be interrupted on a pro rata basis according to quantities nominated or scheduled for each Customer. Interruption of service to Interruptible Customers under Rate Schedules ISS, IPS, IWS, ILS and IBS, and to firm Customers utilizing AIO or AWO will be based on the charges applicable to each Customer for the portion(s) of service subject to interruption, with the transaction with the lowest

economic value to Company being interrupted first. Any ties will be interrupted on a pro rata basis according to quantities nominated or scheduled for each Customer.

- (b) Company will provide Customer as much advance notice of any interruption as is reasonably practicable under the circumstances. Such notice will be made by telephone, electronic transmission, or via its Internet Website, as appropriate, and will state the reduced quantities of Gas that Company estimates it will be able to park, wheel, loan, store, balance, inject, withdraw, receive or deliver, as applicable, and the estimated duration of the interruption.
- (c) If interruption is required, Company and Customer will cooperate to the extent possible in making adjustments to receipts, deliveries, injections or withdrawals to minimize injury to any property or facilities.

5.4 Interruption Liability. Company will not be liable for any loss or damage to any person or property caused, in whole or in part, by any interruption of service, except to the extent caused solely by Company's negligence or willful misconduct.

5.5 Action Alerts and Operational Flow Orders.

- (a) Circumstances Warranting Issuance: Company has the right to issue Action Alerts or OFOs that require action by Customers in order to (1) alleviate conditions that threaten to impair reliable service, (2) maintain operations at pressure required to provide efficient and reliable service, (3) have adequate Gas supply in the System to deliver on demand, (4) maintain service to all firm Customers and for all firm service, and (5) maintain the System in balance for the foregoing purposes.
- (b) Action to be Taken to Avoid Issuance: Company will, to the extent practicable, take all reasonable action necessary to avoid issuing an Action Alert or OFO. Such action will include, in order of priority (1) working with point operators to temporarily adjust receipts and/or deliveries at relevant Point(s) of Receipt or Point(s) of Delivery, (2) working with Customers and point operators to adjust scheduled flows on the System, or (3) taking any other reasonable action designed to mitigate the System problem. After taking all such reasonable action to avoid issuing an Action Alert or OFO, Company has the right to issue an Action Alert or OFO, if necessary, in the circumstances described in GT&C 5.5(a) above.
- (c) Preliminary Notifications/Follow-up Reports: Company will provide, via posting on its Internet Website and via electronic transmission notice to all Customers and point operators of upcoming System events such as anticipated weather events and operational problems that may necessitate the issuance of an Action Alert or OFO.
- (d) Applicability of Action Alert or OFO: Company will make an Action Alert or OFO as localized as is reasonably practicable based on Company's good faith and reasonable judgment concerning the situation requiring remediation such that an Action Alert or OFO will be directed first to Customers and point operators causing the problem necessitating the Action Alert or OFO and second, if necessary, to all Customers and point operators. Company will tailor the Action Alert or OFO to match the severity of the known or anticipated operational problem requiring remediation as more fully set forth in GT&C(s) 5.5(f) and 5.5(g) below. The declaration to the affected parties of OFOs, critical periods and/or Critical Notices will describe the conditions and the specific responses required from the affected parties.

- (e) Notice: All Action Alerts and OFOs will be posted on Company's Internet Website and notice will be sent by electronic transmission to all Customer(s) and affected point operator(s). The Action Alert or OFO will set forth (1) the date and time of issuance, (2) the action Customer or point operator is required to take, (3) the time by which Customer or point operator must be in compliance with the Action Alert or OFO, (4) the anticipated duration of the Action Alert or OFO, and (5) any other terms that Company may reasonably require to ensure the effectiveness of the Action Alert or OFO. In addition to the other information contemplated by GT&C 5.5(e), such notice will also include information about the status of operational variables that determine when an Action Alert or OFO will begin and end, and Company will post periodic updates of such information, promptly upon occurrence of any material change in the information. Company will post a notice on its Internet Website informing Customers and point operators when any Action Alert or OFO in effect will be lifted and specifying the factors that caused the Action Alert or OFO to be issued and then lifted, to the extent such factors are known.
- (f) Action Alerts: In the event that Company determines that due to (1) an ongoing or anticipated weather event, (2) a known equipment problem, or (3) the anticipated continuation of a current System operational problem, action is necessary to avoid a situation in which the System integrity is jeopardized or Company's ability to render firm service is threatened, Company may issue an Action Alert to forestall the development of the situation.
- (1) Issuance of Alerts: Action Alerts will be noticed in accordance with the procedures set forth in GT&C 5.5(e) above and Company will endeavor to provide a minimum of four (4) hours notice.
- (2) Action Alerts may be issued to effect any of the following:
- (i) Restriction of Interruptible service;
- (ii) Restriction of delivery or receipt at specific Point(s) of Receipt or Point(s) of Delivery covered by an OBA to the aggregate MDRQ or MDDQ under Storage Service Agreements for Firm Storage Service that Primary Point(s) of Receipt and Primary Point(s) of Delivery, that are specified in the Storage Service Agreement, are at the affected locations; and/or
- (iii) Forced balancing such that point operators will be required to assure that nominations equal flows or that receipts and deliveries fall within the tolerance level designated in the Action Alert.
- (g) OFOs: In the event that, in Company's judgment, immediate action is required to alleviate conditions which threaten to impair reliable firm service, to maintain operations at pressure required to provide efficient and reliable service, to have adequate Gas supply in the System to maintain the System in balance for the foregoing purposes, Company may forego the action described in GT&C 5.5(f) above and immediately issue an OFO. In the event that (1) Customer or point operator does not respond to an Action Alert, (2) the action taken is insufficient to correct the System problem for which the Action Alert was issued, or (3) there is insufficient time to carry out the procedures with respect to Action Alerts, Company may issue an OFO pursuant to this GT&C 5.5(g) or take unilateral action, including the curtailment of firm service, to maintain the operational integrity of the System. For purposes of this GT&C, the operational integrity of the System will encompass the integrity of the physical System and the preservation of physical assets and their performance, the overall operating performance of the entire physical System as an entity,

and the maintenance (on a reliable and operationally sound basis) of total System deliverability and the quality of Gas delivered.

- (h) Termination of an Action Alert or OFO: Company will lift any effective Action Alert or OFO promptly upon the cessation of operating conditions that caused the relevant System problem. After Company has lifted the Action Alert or OFO, Company will post a notice on its Internet Website specifying the factors that caused the Action Alert or OFO to be issued and then lifted, to the extent such factors are known. Company will also provide such notification via electronic transmission to those Customers who have submitted a request, and provided electronic address information for at least one (1) contact person, via its Internet Website to receive notification of a Critical Notice issued by Company.
- (i) Penalties: All quantities of Gas tendered to Company and/or taken by Customer on a daily basis in violation of an Action Alert or OFO will constitute unauthorized receipts or deliveries for which the applicable Action Alert or OFO penalty charge stated below will be assessed.
 - (1) Action Alert penalty charge for each Dth of Gas by which Customer deviated from the requirements of the Action Alert will be equal to an Action Alert Index Price, calculated as 110% of the Index for the Day on which the deviation occurred, multiplied by the quantity by which Customer deviated from the requirement of the Action Alert. In the event that the Index is not published, or in the event that Company reasonably determines that the Index is no longer reasonably representative of the price at the System, Company will propose an alternative index to FERC in a tariff filing, with the alternative index to take effect for the Gas Day following the date that the price at the System is determined to be no longer reasonably representative.
 - (2) OFO penalty charge for each Dth of Gas by which Customer deviated from the requirement of the OFO will be equal to an OFO Index Price, calculated as three (3) times the Index for the Day on which the deviation occurred, multiplied by the quantity of Gas by which Customer deviated from the requirement of the OFO. In the event that the Index is not published, or in the event that Company reasonably determines that the Index is no longer reasonably representative of the price at the System, Company will propose an alternative index to FERC in a tariff filing, with the alternative index to take effect for the Gas Day following the date that the price at the System is determined to be no longer reasonably representative.

Any penalty revenue collected by Company pursuant to this GT&C 5.5(i), less any costs incurred by Company in an attempt to mitigate an Action Alert or OFO and the resulting penalties, will be credited to Non-Offending Customers, based on the ratio of the total charges paid during that Month by Non-Offending Customers to the sum of the total charges paid during that Month by all Non-Offending Customers. Such credits will be calculated for each Month of the twelve (12) Month period ending July 31 of each year, and will be included on the Non-Offending Customers' invoices for the Month following the date of the final Commission order approving Company's penalty disbursement report; provided, however, that Company will calculate and include such credits on Non-Offending Customers' invoices for a period shorter than twelve (12) Months in the event and to the extent that the total accumulated amount of Action Alert or OFO penalty revenue collected pursuant to this GT&C 5.5(i) by Company as of the end of any Month exceeds \$1,000,000. Company will file with the Commission a penalty disbursement report within sixty (60) days of July 31 or sixty (60) days after the end of the Month for which revenue

collected exceeds \$1,000,000. Any penalty revenue credited to Non-Offending Customers pursuant to this GT&C will include interest calculated in accordance with 18 C.F.R. §154.501(d).

- (j) **Liability of Company:** Company will not be liable for any costs incurred by any Customer or point operator in complying with an Action Alert or OFO. Company will not be responsible for any damages that result from any interruption in service that is a result of Customer's or point operator's failure to comply promptly and fully with an Action Alert or OFO, and the non-complying Customer or point operator will indemnify Company against any claims of responsibility. However, Company will use reasonable efforts to minimize any such costs or damages.
- (k) **Unilateral Action:** In the event that (1) Customer or point operator does not respond to an OFO, or (2) the action taken is insufficient to correct the System problem for which the OFO was issued, or (3) there is insufficient time to carry out the procedures with respect to OFOs, Company may take unilateral action, including the curtailment of firm service, to maintain the operational integrity of the System. For purposes of this GT&C, the operational integrity of the System will encompass the integrity of the physical System and the preservation of physical assets and their performance, the overall operating performance of the entire physical System, as an entity, and the maintenance (on a reliable and operationally sound basis) of total System deliverability and the quality of Gas delivered.

5.6 **Scheduled Maintenance and Force Majeure.**

- (a) Company has the right to curtail, interrupt or discontinue service in whole or in part on all or a portion of the System from time to time to perform inventory verification processes, repairs, maintenance or improvements of the System as necessary to maintain the operational capability of the System or to comply with applicable regulatory requirements, or to perform construction pursuant to valid Commission authorization. Company will exercise due diligence to schedule inventory verification processes, repairs, maintenance and construction so as to minimize disruptions of service to Customers and will provide reasonable notice of the same to Customers.
- (b) Company has the right to curtail, interrupt, or discontinue service in whole or in part on all or a portion of the System at any time for reasons of Force Majeure pursuant to GT&C 17.

5.7. **Effect of Interconnecting Operations.** Company has the right to curtail, interrupt, or discontinue service, in whole or in part, in the event and to the extent that any upstream or downstream interconnected pipeline refuses or is unable to accept from Company or deliver to Company Customer Gas.

6.6 GENERAL TERMS AND CONDITIONS – STORAGE AND WHEELING OPERATIONS

6. STORAGE AND WHEELING OPERATIONS

- 6.1 Storage: Subject to the existing conditions on Transporter(s) system:
- (a) Customer will tender or cause to be tendered to Company at Point(s) of Receipt Gas, plus fuel, that Customer desires to inject into storage. Such injection will not cause Customer to exceed without consent of Company (i) the MDRQ at Point(s) of Receipt, and (ii) the MDIQ. In any event Company will not be obligated to receive Gas if the injection would cause the Storage Inventory to exceed the MSQ, MPQ, or MLQ as applicable.
 - (b) Customer will receive or cause to be received Gas, subject to fuel, that Customer desires to withdraw from storage, at Point(s) of Delivery. Such withdrawal will not cause Customer to exceed without consent of Company (i) the MDDQ at Point(s) of Delivery, and (ii) the MDWQ. In any event Company will not be obligated to deliver to Customer if the withdrawal would cause the Storage Inventory to exceed the MLQ or be less than zero, as applicable.
- 6.2 Wheeling: Subject to the existing conditions on Transporter(s) system:
- (a) Customer will tender or cause to be tendered to Company at Point(s) of Receipt Gas, plus fuel, and that Customer desires to wheel. Such wheel(s) will not cause Customer to exceed (i) the MDRQ at Point(s) of Receipt, and (ii) the MDTQ.
 - (b) Customer will receive or cause to be received at Point(s) of Delivery Gas, subject to Fuel Charge, that Customer desires to wheel. Such wheel(s) will not cause Customer to exceed (i) the MDDQ at Point(s) of Delivery, and (ii) the MDTQ.
- 6.3 Transportation Guidelines. For Point(s) of Receipt and Point(s) of Delivery, Companys' and Transporters' rules, guidelines, operational procedures and policies, as amended or supplemented from time to time, will define and control the manner in which Gas is received and delivered. The Parties agree to provide to each other, in as prompt a manner as reasonable, all information necessary to permit scheduling pursuant to such requirements.
- 6.4 Due to limitations of the System, Company will not be obligated to receive, at Point(s) of Receipt, or deliver, at Point(s) of Delivery, any quantity of Gas when the quantity of Gas tendered for delivery to Company or requested by Customer to be delivered, together with all other quantities of Gas tendered for delivery to Company at Point(s) of Receipt or requested for delivery at Point(s) of Delivery, results in a net metered flow that is less than or equal to what is deemed operationally practical by Company.
- 6.5 In the event that batch flowing scheduled quantities is deemed operationally impractical by Transporter or Company, and should Company receive nominations for injection or withdrawal of Gas, that after aggregation with other nominations commencing at the same time and same meter, results in a net metered volume deemed operationally impractical, Company will not be required to schedule such nominations and such nominated volumes may be curtailed on a pro rata basis such that the net metered volume will be zero (0). Company will notify affected Customer(s) within four (4) hours of being notified of changes to nominations which would result in curtailment as provided herein.
- 6.6 Commingling. It is recognized that Gas delivered to Company by Customer will be commingled with other Gas received by Company from all sources. Customer acknowledges that by tendering Gas to Company that such Gas will be commingled with Gas from various sources and that Gas

redelivered to Customer will not be the same molecules, or contain the identical constituents, as the Gas Customer tendered to Company. No party tendering Gas to Company will have the right to any particular constituent in the Gas tendered, including but not limited to, liquids and liquefiable hydrocarbons while such constituents are entrained in the Gas stream. Accordingly, all Gas is subject to such changes in heat content as may result from such commingling and Company will, notwithstanding any other provision herein, be under no obligation to withdraw for Customer's account, Gas of a heat content identical to that caused to be delivered by Customer to Company.

6.7 GENERAL TERMS AND CONDITIONS –RESERVED FOR FUTURE USE

6.8 GENERAL TERMS AND CONDITIONS – NOMINATIONS AND SCHEDULING

8. NOMINATIONS AND SCHEDULING

8.1 During any Day when Customer desires Company to deliver, balance, loan, inject, park, store, wheel, withdraw, or receive Gas, Customer will submit a nomination to Company via its Internet Website that includes, but is not limited to, the following information: quantity, flow period, upstream transportation contract number(s), downstream transportation contract number(s), Point(s) of Receipt, Point(s) of Delivery, Customer's name and Storage Service Agreement number and Customer's authorized employee name and telephone number. All nominations will be based on a daily quantity.

All nominations will include defined begin dates and end dates. All nominations, excluding Intraday Nominations, have rollover options. Customers have the ability to nominate for several Days, months, or years, provided the nomination begin and end dates are within the term of Customer's Storage Service Agreement in Customer's Storage Service Agreement.

AIO and AWO Gas quantities will be requested on separate transactions.

8.2 Company will accept nominations for service as follows:

(a) Next Day Service. The nomination timeline on the Day prior to the Day of Gas flow will be the following:

1:00 p.m. Nominations leave control of Customer

1:15 p.m. Nominations are received by Company (including from Title Transfer Tracking Service Providers ("TTTSPs"))

1:30 p.m. Company sends the Quick Response to Customer

4:30 p.m. Company receives completed confirmations from Confirming Parties

5:00 p.m. Customer and Point Operator receive scheduled quantities from Company

The sending party will adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request that has the right to waive the deadline.

(b) Intraday Nominations. Any nomination received during a Day for the same Day of Gas flow, or any nomination received after the nominations deadline set forth in GT&C 8.2(a) above for the following Day flow will be an Intraday Nomination. Intraday Nominations may be used to request increases or decreases in total flow, changes to Point(s) of Receipt, or changes to Point(s) of Delivery of scheduled Gas. Intraday Nominations do not roll over (i.e. Intraday Nominations span one (1) Day only). Intraday Nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an Intraday Nomination modifies an existing nomination. Intraday Nominations may be used to nominate new injections or withdrawals. All nominations, including Intraday Nominations, will be based on a daily quantity; thus, an Intraday nominator need not submit an hourly nomination. Intraday Nominations will include an effective date and time. The interconnected parties will agree on the hourly flows of the Intraday Nomination, if not otherwise addressed in Transporter's contract or tariff. In the event Customer does not submit a timely nomination or desires to alter an existing nomination, Customer has the right to submit an Intraday Nomination to revise Customer's scheduled quantities, Point(s) of Receipt or Point(s) of Delivery on a prospective basis prior to the end of the Day;

provided, however, that such Intraday Nomination will be processed after all timely nominations have been scheduled. Such Intraday Nomination will be implemented by Company to the extent and only to the extent that Company determines that such Intraday Nominations will not interfere with the efficient operation of the System and Company is able to confirm the receipt and delivery of such Gas at Point(s) of Receipt and Point(s) of Delivery.

- (c) Elapsed-Prorated-Scheduled Quantity. With respect to Intraday Nominations for reductions in previously scheduled quantities, Company may accept any confirmed quantity, down to and including zero (0), for such Intraday Nomination, provided, however, if such Intraday Nomination requires confirmation from an upstream or downstream interconnected pipeline, then any Intraday Nomination to reduce previously scheduled quantities will be subject to, and limited to, the reduced quantity confirmed by such upstream or downstream interconnected pipeline.
- (d) Nominations will be processed for scheduling in the order in which they were received, by priority level as described in GT&C 5. Nominations received after the nomination deadline will be scheduled after the nominations received before the nomination deadline.
- (e) Notices provided under this GT&C 8.2 must be submitted via Company's Internet Website, unless another method is agreed to between Company and Customer. Customer will provide notice of any changes in deliveries to or receipt from Company to all Transporters and will be responsible for, and will hold Company harmless from, any and all liabilities and expense resulting from any such changes, unless the added expense is due to the negligence of Company.
- (f) Minimum NAESB Nomination Standards. In the event the more flexible nomination procedures set forth in GT&C 8.2(b) above are inapplicable for any reason, nominations will be submitted and processed in accordance with the minimum standards set forth in this GT&C 8.2(f). Company will support the following standard nomination cycles:

- (i) The Timely Nomination Cycle

On the day prior to Gas flow:

- 1:00 p.m. Nominations leave control of Customer
- 1:15 p.m. Nominations are received by Company (including from Title Transfer Tracking Service Providers ("TTTSPs"))
- 1:30 p.m. Company sends the Quick Response to Customer
- 4:30 p.m. Company receives completed confirmations from Confirming Parties
- 5:00 p.m. Customer and Point Operator receive scheduled quantities from Company

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

- (ii) The Evening Nomination Cycle

On the day prior to Gas flow:

- 6:00 p.m. Nominations leave control of Customer
- 6:15 p.m. Nominations are received by Company (including from TTTSPs)
- 6:30 p.m. Company sends the Quick Response to Customer

- 8:30 p.m. Company receives completed confirmations from Confirming Parties
- 9:00 p.m. Company provides scheduled quantities to the affected Customer and Point Operator, including bumped parties (notice to bumped parties)

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

(iii) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of Customer
- 10:15 a.m. Nominations are received by Company (including from TTTSPs)
- 10:30 a.m. Company sends the Quick Response to Customer
- 12:30 p.m. Company receives completed confirmations from Confirming Parties
- 1:00 p.m. Company provides scheduled quantities to the affected Customer and Point Operator, including bumped parties (notice to bumped parties)

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day.

(iv) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of Customer
- 2:45 p.m. Nominations are received by Company (including from TTTSPs)
- 3:00 p.m. Company sends the Quick Response to Customer
- 5:00 p.m. Company receives completed confirmations from Confirming Parties
- 5:30 p.m. Company provides scheduled quantities to the affected Customer and Point Operator, including bumped parties (notice to bumped parties)

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day.

(v) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of Customer
- 7:15 p.m. Nominations are received by Company (including from TTTSPs)
- 7:30 p.m. Company sends the Quick Response to Customer
- 9:30 p.m. Company receives completed confirmations from Confirming Parties
- 10:00 p.m. Company provides scheduled quantities to the affected Customer and Point Operator

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

For purposes of (ii), (iii), (iv), and (v) above, the word “provides” means, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it means send or post.

- 8.3 Customer will make available and tender any Gas to be injected or wheeled hereunder and receive and accept delivery, upon tender by Company, any Gas requested to be withdrawn from storage or wheeled. The quantity of Gas stored for the account of Customer will be increased or decreased upon injection or withdrawal of Gas from storage, as applicable. Customer will not (unless otherwise agreed by Company) receive or deliver Gas, nor will Company be obligated to receive Gas or deliver Gas on an hourly basis at rates of flow in excess of 1/24 of Customer’s MDIQ, MDRQ, MDWQ, MDDQ, or MDTQ, as applicable. As determined by Company in its sole and reasonable judgment, hourly flow rates above 1/24 of Customer’s MDIQ, MDRQ, MDWQ, MDDQ, or MDTQ may be permitted. Unless Company otherwise agrees, Customer will not be permitted to nominate simultaneous injections to and withdrawals from storage under the same Storage Service Agreement or otherwise to engage in any nomination pattern that would result in Customer receiving the equivalent of unbundled transportation service, other than wheeling service provided by Company in accordance with this Tariff. The prohibition against simultaneous injection and withdrawal nominations will not be deemed to limit Customer’s right during a Day, subject to the priorities of service of GT&C 5, to submit nominations in the Evening, Intraday 1, Intraday 2 and/or Intraday 3 nomination cycles, or at other times as may be permitted under this Tariff, that would result in a switch from previously nominated injections to withdrawals or from withdrawals to injections.

6.9 GENERAL TERMS AND CONDITIONS –RESERVED FOR FUTURE USE

6.10 GENERAL TERMS AND CONDITIONS - QUALITY

10. QUALITY

- 10.1 Specifications. Gas delivered by either Party to the other Party will meet the quality specifications of Company and Transporter which receives or delivers Gas at Point(s) of Receipt or Point(s) of Delivery, as applicable, and, unless such Transporter's quality specifications are more stringent, will be of such quality that it will meet at least the following specifications:
- (a) Be commercially free from objectionable odors, dirt, dust, iron particles, gums, gum-forming constituents, gasoline, PCBs, and other solid and/or liquid matter, including but not limited to water, Gas treating chemicals and well completion fluids and debris, that may become separated from Gas during transportation.
 - (b) Contain no more than one fourth (1/4) of one grain of hydrogen sulfide per one hundred (100) cubic feet, as determined by the cadmium sulfate quantitative test, nor more than twenty (20) grains of total sulfur per one hundred (100) cubic feet.
 - (c) Contain no more than (1) two-tenths of one percent (0.2%) by volume of oxygen, (2) two percent (2%) by volume of carbon dioxide, (3) three percent (3%) by volume of nitrogen, and (4) a combined total of carbon dioxide and nitrogen components of more than four percent (4%) by volume.
 - (d) Have a heating value of not less than nine hundred and sixty-seven (967) Btus per cubic feet and not more than eleven hundred (1100) Btus per cubic feet.
 - (e) Have a temperature of not more than one hundred twenty degrees Fahrenheit (120° F), nor less than forty degrees Fahrenheit (40° F).
 - (f) Have been dehydrated by the tendering party, by any method other than the use of a calcium chloride as desiccant, for removal of entrained water in excess of seven (7) pounds of water per million (1,000,000) cubic feet of Gas as determined by dew-point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed.
- 10.2 Rejection of Gas. Either Party will be entitled to reject Gas tendered to it by the other Party that does not meet the minimum specifications of GT&C 10.1 above. Acceptance of such Gas does not constitute a waiver of Company's right to refuse to accept similarly nonconforming Gas.

6.11 GENERAL TERMS AND CONDITIONS – PRESSURE AT POINT(S) OF RECEIPT AND DELIVERY

11. PRESSURE AT POINT(S) OF RECEIPT AND DELIVERY

- 11.1 Unless otherwise agreed by the Parties as set forth in Customer’s Storage Service Agreement, Customer will cause Gas to be delivered at Point(s) of Receipt at pressure sufficient to allow Gas to enter the System at the varying pressures that may exist in the System from time to time; provided, however, that pressure of Gas delivered or caused to be delivered by Customer will not exceed the MAOP of the System at Point(s) of Receipt. In the event the MAOP of the System, at Point(s) of Receipt, is from time to time increased or decreased, then the MAOP applicable to Gas delivered or caused to be delivered by Customer to Company at Point(s) of Receipt will be correspondingly increased or decreased upon notification by Company to Customer.
- 11.2 Unless otherwise agreed by the Parties as set forth in Customer’s Storage Service Agreement, Company will cause Gas to be delivered at Point(s) of Delivery at the varying pressures that may exist in the System from time to time.
- 11.3 Company may agree on a nondiscriminatory basis to minimum and maximum pressure provisions. Any such pressure requirement(s) will be set forth in Customer’s Storage Service Agreement and will not constitute a non-conforming term in the Storage Service Agreement.
- 11.4 Company has designed the facilities required to provide storage and hub service to Customer based on “normal” operating pressure maintained by the Transporter(s) at Point(s) of Receipt and Point(s) of Delivery with allowances for reasonable fluctuations. In the event that conditions on the Transporter’s system vary substantially from this “normal” design condition, Company’s capability to receive or deliver quantities set forth in Customer’s Storage Service Agreement may be impaired, resulting in an interruption in service. In this event, capacity will be allocated pursuant to GT&C 5. Customer agrees to indemnify and hold Company harmless for any loss caused by any such interruption in service.

6.12 GENERAL TERMS AND CONDITIONS – TITLE AND RISK OF LOSS

12. TITLE AND RISK OF LOSS

- 12.1 Customer warrants for itself, its successors and assigns, that it has at the time of delivery of Gas to Company either good title or the legal right to Gas. Customer warrants for itself, its successors and assigns, that Gas it delivers hereunder will be free and clear of all liens, encumbrances, or claims whatsoever; and that it will indemnify Company and save it harmless from all claims, suits, actions, debts, accounts, damages, costs, losses, and expenses arising directly or indirectly out of adverse claims of any or all persons to said gas and/or royalties, taxes, licenses, fees, or charges thereon which are applicable to such Gas and/or delivery of such Gas to Company.
- 12.2 As between Customer and Company, (i) Customer will be deemed to be in control and possession of the Gas prior to delivery to Company at Point(s) of Receipt and after redelivery by Company to Customer at Point(s) of Delivery, and will indemnify and hold Company harmless from any damage or injury caused thereby, and (ii) Company will be deemed to be in control and possession of the Gas after the receipt of Gas at Point(s) of Receipt and until Company's redelivery of an equivalent quantity of Gas to Customer at Point(s) of Delivery, and will indemnify and hold Customer harmless from any damage or injury caused thereby, except for damages and injuries caused by the sole negligence of Customer. Notwithstanding anything to the contrary set forth in this GT&C 12.2, the risk of loss of any quantity of Gas injected into, or stored in, wheeled and withdrawn from the System will remain with Customer, and Company will not be liable to Customer for any loss of Gas, except as may be the consequence of the intentional or negligent acts or omissions of Company. Any losses of Gas, unless resulting from the intentional or negligent act or omissions of Company, will be apportioned among and shared proportionally by all Customers on the basis of the percentage which each Customer's Storage Inventory as of the Day immediately preceding the Day on which a loss occurs bore to the total amount of Gas in all Customers' Storage Inventories on such Day.

6.13 GENERAL TERMS AND CONDITIONS – MEASUREMENT

13. MEASUREMENT

- 13.1 The unit of volume for measurement of all quantities of Gas received, delivered, injected, withdrawn, stored, wheeled, balanced, parked, or loaned by Company will be one (1) Cubic foot of Gas. All fundamental constants, observations, records, and procedures involved in determining or verifying the quantity and other characteristics of Gas delivered hereunder will, unless otherwise specified herein, be in accordance with the standards prescribed in Report No. 9 of the American Gas Association, as now in effect and from time to time amended or supplemented. All measurements of Gas will be determined by calculation into terms of such unit. All quantities expressed, unless expressly stated otherwise, are in terms of such unit of volume. Notwithstanding the foregoing, it is agreed that, for all purposes, the Btu content of the Gas received and delivered by Company hereunder will be measured on a “dry” basis rather than a fully saturated or “wet” basis.
- 13.2 Company will install, maintain and operate, or cause to be installed, maintained and operated, the measurement facilities required hereunder. Said measurement facilities will be so equipped with meters, recording gauges, chromatographs or other types of related or similar equipment of standard make and design commonly acceptable in the industry, as to accomplish the accurate measurement of Gas delivered hereunder. The retrieval of data and calibrating and adjustment of meters will be done by Company or its agent.

6.14 GENERAL TERMS AND CONDITIONS – BILLINGS AND PAYMENTS

14. BILLINGS AND PAYMENTS

- 14.1 Invoice. Not later than the ninth (9th) Business Day of each month, Company will provide Customer (including a Replacement Customer) an invoice and any required backup data (which may be transmitted by electronic transmission or by posting invoices on its Internet Website), setting forth (i) the charges due for the previous Month; (ii) the total quantity of Gas, set forth in Dths, received from and delivered to Customer hereunder during the preceding Month(s), with applicable Point(s) of Receipt and Point(s) of Delivery properly identified, and the amount due; and if applicable; (iii) the amount of Customer's Gas in storage as of the close of the preceding Month and information sufficient to explain and support any adjustments made by Company in determining the amount billed. If actual quantities are not available by the ninth (9th) Business Day of the month, Company may invoice based on best available data subject to adjustment to actual at a later date. Quantities at points where OBAs exist will be invoiced based on scheduled quantities.
- 14.2 Application of Payments for Released Capacity. Payments to Company by a Replacement Customer for released capacity will be applied as follows: (i) Company will retain amounts equal to the Replacement Customer's usage charges; (ii) Company will credit the balance to reservation charges due from the Replacement Customer; and (iii) Company will remit the remaining balance, if any, or will charge any balance due, to the Replacement Customer, in accordance with GT&C 4.10. If any balance due from the Replacement Customer remains unpaid, the outstanding balance will then be billed to the Releasing Customer, provided that the Releasing Customer is only liable to the extent of the Reservation Charges specified in the applicable Storage Service Agreement and corresponding Rate Schedule.
- 14.3 Payment. Customer will pay Company by electronic means the full amount reflected on the invoice within fifteen (15) days of the date of the invoice. If the payment due date falls upon a weekend or legal holiday, then such payment is due on the next Business Day following the payment due date. Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail will be provided with payment except when payment is made by EFT, in which case, remittance detail is due within two (2) Business Days of payment due date. In the event Customer fails to forward the entire undisputed amount owed to Company when payment is due, interest on the unpaid portion will accrue at the same rate of interest and in the same manner as prescribed for pipeline refunds as set forth in 18 C.F.R. § 154.501(d) from the date such payment is due until paid. If Customer's failure to pay the undisputed portion of any invoice continues beyond thirty (30) days after the due date, then Company, in addition to all other legal remedies available to it, has the right and option to suspend further deliveries of Gas until such default has been cured. If Customer's failure to pay the undisputed portion of any invoice continues beyond sixty (60) days after the due date, then Company, in addition to all other legal remedies available to it, has the right and option to terminate service.
- 14.4 Billing Error. If an error is discovered in any billing, such error will be adjusted within thirty (30) days of determination. If a dispute arises as to the amount payable, Customer will nevertheless pay when due the amount not in dispute and provide documentation identifying basis for the dispute. Such payment will not be deemed a waiver of the right by Customer to recoup any overpayment, nor will acceptance of payment be deemed a waiver of the right by Customer to recoup any overpayment, nor will acceptance of any payment be deemed a waiver by Company of any underpayment.
- 14.5 Billing Disputes. If Customer withholds payment of any disputed amount, Customer will within ten (10) days after the due date of the disputed invoice submit to Company a written explanation of dispute and provide all available supporting documentation. The Parties will then cooperate in good

faith to resolve such dispute as expeditiously as possible, and the portion, if any, of disputed amount eventually determined to be due will bear interest at the rate set forth in GT&C 14.3 above from the original due date until the date actually paid.

- 14.6 Right to Audit. The Parties have the right at their own expense to examine and audit at any reasonable time books, records (including measurement, billing and payment) and charts of the other Party to the extent necessary to verify the accuracy of statements or charges made under or pursuant to any provisions of Customer's Storage Service Agreement or this Tariff. Upon request, Customer will make available to Company for audit purposes any relevant records of Transporters to which Customer has access. A formal audit of accounts will not be made more often than once each Contract Year. Any inaccuracy will be promptly corrected when discovered; provided, however, that neither Party will be required to maintain books, records or charts for a period of more than two (2) Contract Years following the end of the Contract Year to which they are applicable. Neither Party has any right to question or contest any charge or credit if the matter is not called to the attention of the other Party in writing within two (2) years after the end of the Contract Year in question.
- 14.7 Company may waive any de minimis payment obligations or late payment charges accruing under this GT&C 14 to the extent Company determines that the administrative costs associated with collecting such charges exceed the amount(s) due.

6.15 GENERAL TERMS AND CONDITIONS - TAXES

15. TAXES

If at any time Company is required to remit any taxes assessed on Customer Gas or the receipt, injection, withdrawal or delivery of such Gas, Customer will either pay directly to the taxing authority or reimburse Company for all applicable taxes as may be assessed against Company, including penalties and interest. Customer agrees to reimburse Company for the taxes assessed on Customer Gas, including any penalties and interest and all costs, fees and expenses of Company, within fifteen (15) days of the date of invoice from Company. Customer will furnish Company information, satisfactory to Company, to enable Company to comply with any reporting requirements imposed by Government Authority. Customer recognizes that Company may be required to file federal, state and local tax returns or respond to inquiries by Government Authority, and Customer authorizes Company to respond directly to inquiries from Governmental Authority with regard to Customer inventories. To the extent necessary, Customer will furnish Company with adequate information pertaining to the taxation on Customer Gas and Customer agrees to assist Company with such filings or inquires if requested by the Company.

6.16 GENERAL TERMS AND CONDITIONS - INSURANCE

16. INSURANCE

Customer will be responsible for providing its own insurance coverage with respect to Gas it tenders to or receives from Company for service under this Tariff.

6.17 GENERAL TERMS AND CONDITIONS – FORCE MAJEURE AND RESERVATION CHARGE CREDITS

17. FORCE MAJEURE AND RESERVATION CHARGE CREDITS

- 17.1(a) Effect of Force Majeure. In the event Company is rendered unable, wholly or in part, by reason of an event of Force Majeure, as defined herein, to perform, wholly or in part, any obligation or commitment under Customer's Storage Service Agreement, Company will not be liable to Customer in damages for any act, omission, or consequence occasioned by or in consequence of a Force Majeure event. Company will provide notice and full particulars of such Force Majeure event on its Internet Website within seventy-two (72) hours after the occurrence of the cause relied on, or in such time and manner that is reasonable under the circumstances or conditions, and the obligations of Company will be suspended to the extent that Company's ability to perform such obligations is affected by such Force Majeure event and for the period of such Force Majeure condition, but for no longer period, and such cause will as far as possible be remedied with all reasonable dispatch.
- (b) Force Majeure and Obligation to Pay/Credit Reservation Charges. A Customer receiving Firm Storage Service will not be relieved of its obligation to pay Reservation Charges specified in Customer's Storage Service Agreement due to an event of Force Majeure and Company will include the full amount of such Reservation Charges on Customer's invoice for any Month in which an event of Force Majeure has occurred, provided, however, that Company will calculate credits against Customer's Reservation Charges payable under Customer's Storage Service Agreement to reflect any reduction in Company's ability to render Firm Storage Service resulting from an event of Force Majeure declared by Company and will include such credit on the firm Customer's invoice for the succeeding month, in accordance with GT&C 17.1(c) below.
- (c) Calculation of Credits Against Reservation Charges. For each Day on which Company is unable to deliver Customer's primary firm service, Company will calculate credits against Customer's Reservation Charges payable under Customer's Firm Storage Service Agreement; provided, that Company will not be required to provide Reservation Charge credits during the first ten (10) Days of curtailment due to an event of Force Majeure declared by Company or a PHMSA Event (as defined in this GT&C below) and provided further, Company will not be required to provide Reservation Charge credits for curtailment that is solely the result of Customer's conduct or the result of actions or inactions by Transporters which are not controllable by Company. Reservation charge credits will not be provided to the extent that Customer utilizes secondary points. Company's system. For purposes of this GT&C 17.1(c), the term "PHMSA Event" will refer to any testing, repair, replacement, refurbishment, or maintenance activity including scheduled maintenance that is commenced prior to December 31, 2017, to comply with Section 60139(c) of Chapter 601 of Title 49, as added by section 23 of the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 or requirements issued by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") pursuant to Section 60139(c).

In the event that Company is rendered unable wholly or in part by a PHMSA Event to carry out its obligations under a Firm Storage Service Agreement, other than to provide demand charge credits thereunder, it is agreed that Company will give notice of the circumstances of the PHMSA Event in writing or by electronic means to Customer as soon as possible. Company's notice will identify the specific PHMSA order or requirement with which Company is complying. The obligations of Company will be suspended during the continuance of any inability so caused but for no longer period than such inability, and such cause will as far as possible be remedied with all reasonable dispatch.

Company will calculate Reservation Charge Credits for each applicable Day for Customer's nominated primary firm service quantities that Company is unable deliver using the following formulae:

Non delivery of firm injections:

Reservation Charge Credit = (RC divided by #Days) multiplied by (NNIQ divided by MDIQ)

Non delivery of firm withdrawals:

Reservation Charge Credit = (RC divided by #Days) multiplied by (NNWQ divided by MDWQ)

Where:

RC = The Customer's Reservation Charges for the Month, calculated using the rates set forth in Customer's Firm Storage Service Agreement. Customer's NNSS and NNSS-EU Reservation Charges, if applicable, will be combined with its FSS Reservation Charges for this calculation.

#Days = The number of Days in the Month.

NNIQ = The amount by which Customer's Nominated Quantity exceed the quantities received by Company at the affected primary Point(s) of Receipt on each Day in the Month. In no event will Customer Nominated Quantity exceed the MDDQ at primary Point(s) of Receipt and in the aggregate exceed the MDIQ. Customer Nominated Quantity does not include quantities reduced as a result of the confirmation process between Company and Transporters and Customer's failure to meet Company's quality and pressure specifications or other conditions caused by Customer that resulted in the curtailment.

NNWQ = The amount by which Customer's Nominated Quantity exceed the quantities delivered by Company at the affected primary Point(s) of Delivery on each Day in the Month. In no event will Customer Nominated Quantities exceed the MDRQ at primary Point(s) of Receipt and in the aggregate can not exceed the MDIQ. Customer Nominated Quantities do not include quantities reduced as a result of the confirmation process between Company and Transporters, Customer's failure to meet Company's quality and pressure specifications or other conditions caused by Customer that resulted in the curtailment.

Notwithstanding the foregoing, Customer will not be required to provide nominations to Company in order to receive the credit against reservation charges described above when Company has provided notice that no capacity will be available for service through point(s) of restriction.

- 17.2 Nature of Force Majeure. The term "Force Majeure" as employed herein and in Customer's Storage Service Agreement(s) means any cause, whether of the kind enumerated herein or otherwise, not reasonably within the control of Company, such as: acts of God; strikes, lockouts and industrial disputes or disturbances; inability to secure or delays in obtaining labor, materials, power, fuel, supplies, permits, easements or rights-of-way, including inability to secure materials by reason of allocations promulgated by authorized governmental agencies; arrests and restraints of governments and people; failure of third-party transportation not caused by acts or omissions of Company; one-time, nonrecurring unplanned or unscheduled interruptions caused by government or court orders, decisions, rules and regulations and/or present and future valid orders, decisions, of any Governmental Authority; acts of the public enemy; vandalism; wars; riots; civil disturbances; sabotage or terrorism; blockades; insurrections; epidemics; pandemics, landslides; lightning; tornadoes; hurricanes; earthquakes; fires; storms; floods; washouts; inclement weather which necessitates extraordinary measures and expense to maintain operations; explosions; breakage, and/or accidents to plant facilities including machinery, lines of pipe, and/or accidents to wells or

subsurface storage caverns or reservoirs; unplanned or unscheduled testing (as required by one-time, non-recurring governmental requirements); mechanical or geomechanical changes or physical failure that affects the ability to operate storage facilities or a cavern(s) and the making of repairs or alterations to pipelines, storage, and plant facilities including Transporter's(s') pipeline repairs. It is understood and agreed that the settlement of strikes or lockouts will be entirely within the discretion of Company, and that the above requirements that any Force Majeure will be remedied with all reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such course is inadvisable in the discretion of Company.

6.18 GENERAL TERMS AND CONDITIONS - NOTICES

18. NOTICES

- 18.1 Any notice, request, demand, or statement provided for in this Tariff or Customer's Storage Service Agreement, except as otherwise provided, or as mutually agreed by the Parties, will be made in writing and either delivered in person, by United States Mail, overnight courier service, or via electronic transmission at the addresses in Customer's Storage Service Agreement or at such other address as may be furnished by either Party in writing.
- 18.2 It is Customer's responsibility to notify Company of changes to Customer's contact information on a timely basis. Company is not responsible for any lapse of communication due to Customer's failure to provide accurate contact information on a timely basis.

6.19 GENERAL TERMS AND CONDITIONS – FUEL CHARGE

19. FUEL CHARGE

- 19.1 Categories of Fuel Usage. The two general categories of fuel usage are: (1) Direct Fuel Usage, consisting of (a) compression fuel (including electricity), (b) dehydration fuel, and (c) line heating fuel; and (2) Indirect Fuel Usage, consisting of fuel that is consumed by the System to (a) generate electricity, (b) heat the System, (c) fuel vehicles and equipment. Fuel Charges are intended to compensate Company for these categories of fuel usage and for lost and unaccounted Gas to the extent required for the operation and maintenance of the System
- 19.2 Fuel Charge. Fuel Charge will be negotiated by Parties at Point(s) of Receipt and Point(s) of Delivery such that the Fuel Charge will be paid as a \$/Dth usage charge or in-kind percentage per Dth, as set forth in Customer's Storage Service Agreement(s).

6.20 GENERAL TERMS AND CONDITIONS – GAS TITLE TRANSFERS

20. GAS TITLE TRANSFERS

20.1 Title Transfers of Gas:

- (a) A Customer who has a Storage Service Agreement under Rate Schedules FSS, FPS, ESS, EPS, ISS, IPS or IBS may transfer some or all of its Storage Inventory at Point(s) of Receipt, Point(s) of Delivery, or in the caverns on an Interruptible basis to any other Customer who has a Storage Service Agreement under Rate Schedules FSS, FPS, ESS, EPS, ISS, IPS or IBS to become part of such other Customer's Storage Inventory if:
 - (1) Customer transferring Storage Inventory and Customer receiving the Storage Inventory will execute a Title Transfer Form, as such form is posted on Company's Internet Website, identifying the details of the title transfer transaction and submit such executed Title Transfer Form to Company;
 - (2) The transfer does not cause receiving Customer to exceed its MSQ or MPQ, as applicable, or cause transferring Customer's Storage Inventory to go below zero (0); and
 - (3) The transfer would not result in an increase in the service obligations of Company or cause operational difficulties and such increase or operational difficulties would, in the reasonable judgment of Company, impair the ability of Company to meet all of its other service obligations of equal or higher priority.
- (b) Company will recognize the transfer on a prospective basis within one (1) Business Day after receipt of the executed Title Transfer Form by all Parties or a later date if such date is set forth in the Title Transfer Form.
- (c) For each title transfer of Gas performed under this GT&C 20, each Customer pays the title transfer charge as agreed upon by each Customer and Company as set forth on the Title Transfer Form.
- (d) The foregoing rules governing transfers of Storage Inventory will also apply to requests to transfer Storage Inventory among Customer's Storage Service Agreements.

6.21 GENERAL TERMS AND CONDITIONS – PENALTIES ASSESSED BY TRANSPORTER(S)

21. PENALTIES

- 21.1 A Customer will be liable for and will be required to reimburse Company for penalties, charges and fees that Company is required to pay to Transporter(s) as a consequence of Customer's actions. The recovery of such amounts will be on an as-billed basis. Customer will hold Company harmless for all penalties, charges and fees that may be assessed by Transporter(s) under Customer's transportation agreement(s) with Transporter(s), unless the penalties, charges and fees are due to the negligence of Company. Customer and Company will cooperate with each other and with the Transporter(s) to verify delivery and receipt of Gas delivered on a timely basis.
- 21.2 In addition to the payment of the penalties, charges and fees set forth in GT&C 21.1 above, the responsible Customer will also be liable for, and will reimburse Company, for all costs incurred by Company as a consequence of such Customer's actions.

6.22 GENERAL TERMS AND CONDITIONS – TRANSMISSION PROVIDER STANDARDS OF CONDUCT

22. TRANSMISSION PROVIDER STANDARDS OF CONDUCT

Company does not meet FERC’s definition of a “Transmission Provider” (18 C.F.R. §358.3(k)(3)) because it is a natural gas storage provider authorized to charge market-based rates. Therefore, Company is not required to comply with FERC’s Transmission Provider Standards of Conduct, as promulgated in Order Nos. 717 et al. and codified at 18 C.F.R. Part 358.

6.23 GENERAL TERMS AND CONDITIONS – NORTH AMERICAN ENERGY STANDARDS BOARD

23. NORTH AMERICAN ENERGY STANDARDS BOARD

Company has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 C.F.R. Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Pursuant to NAESB Copyright Procedure Regarding Member and Purchaser Self Executing Waiver as adopted by the NAESB Board of Directors on April 4, 2013, Company may publish in its tariff, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided that Company includes appropriate citations in the submission. Company has elected to reproduce only the following Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, that are protected by NAESB's copyright. With respect to each reproduced standard, Company incorporates the following: © 1996 – 2020 NAESB, all rights reserved.

Standards not Incorporated by Reference and their Location in this Tariff:

<u>NAESB Standard</u>	<u>Tariff Record</u>
Additional Standards	
Creditworthiness:	
0.3.3	Creditworthiness-Financial Assurances, 6.31.10(a)
0.3.4	Creditworthiness-Financial Assurances, 6.31.10(b)
0.3.5	Creditworthiness-Financial Assurances, 6.31.10(c)
0.3.6	Creditworthiness-Financial Assurances, 6.31.10(d)
0.3.7	Creditworthiness-Financial Assurances, 6.31.10(e), (f)
0.3.8	Creditworthiness-Financial Assurances, 6.31.10(g)
0.3.9	Creditworthiness-Financial Assurances, 6.31.10(h)
0.3.10	Creditworthiness-Financial Assurances, 6.31.10(i)
Nomination Related Standards:	
1.2.3	Definitions, 6.2 (Pooling)
1.2.4	Definitions, 6.2 (Intraday Nomination)
1.2.6	Definitions, 6.2 (Operational Flow Order)
1.2.12	Definitions, 6.2 (Elapsed-Prorated-Scheduled Quantity)
1.3.1	Definitions, 6.2 (Gas Day)
1.3.2(i-vi)	Nominations and Scheduling, 6.8.2
1.3.5	Nominations and Scheduling, 6.8.1
1.3.6	Nominations and Scheduling, 6.8.2
1.3.8	Nominations and Scheduling, 6.8.2
1.3.9	Nominations and Scheduling, 6.8.2
1.3.11	Nominations and Scheduling, 6.8.2
1.3.13	Nominations and Scheduling, 6.8.2
1.3.19	Nominations and Scheduling, 6.8.1
1.3.21	Nominations and Scheduling, 6.8.2
1.3.26	Priority, Interruption of Service and OFOs, 6.5.5
1.3.33	Nominations and Scheduling, 6.8.2
Flowing Gas Related Standards:	
2.2.1	Definitions, 6.2 (Operational Balancing Agreement)

2.3.9 Definitions, 6.2 (Btu and Cubic Foot)

Invoicing Related Standards:

3.2.1	Definitions, 6.2 (Business Day)
3.3.9	Billings and Payments, 6.14.1
3.3.10	Billings and Payments, 6.14.1
3.3.17	Billings and Payments, 6.14.3
3.3.19	Billings and Payments, 6.14.4

Capacity Release Related Standards:

5.2.1	Definitions, 6.2 (Critical Notice)
5.2.3	Definitions, 6.2 (Elapsed Prorata Capacity)
5.3.1	Capacity Release, 6.4.3
5.3.2	Capacity Release, 6.4.3
5.3.3	Capacity Release, 6.4.3
5.3.4	Capacity Release, 6.4.7
5.3.7	Capacity Release, 6.4.13
5.3.13	Capacity Release, 6.4.6
5.3.14	Capacity Release, 6.4.1
5.3.15	Capacity Release, 6.4.6
5.3.16	Capacity Release, 6.4.1
5.3.24	Capacity Release, 6.4.3
5.3.25	Capacity Release, 6.4.3
5.3.44	Capacity Release, 6.4.13
5.3.45	Capacity Release, 6.4.13
5.3.59	Capacity Release, 6.4.8
5.3.60	Capacity Release, 6.4.14

Standards Incorporated by Reference:

Additional Standards:

General:

Definition:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Datasets:
0.4.2, 0.4.3

Location Data Download:

Standards:
0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:
0.4.4

Storage Information:

Dataset:
0.4.1

Nominations Related Standards:

Definitions:
1.2.1, 1.2.2, 1.2.5, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:
1.3.4, 1.3.7, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.27, 1.3.28, 1.3.29,
1.3.30, 1.3.31, 1.3.32, 1.3.34, 1.3.35, 1.3.36, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.46,
1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.58, 1.3.62, 1.3.64, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72,
1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81, 1.3.82

Datasets:
1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Definitions:
2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:
2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17,
2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32,
2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54,
2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Datasets:
2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17, 2.4.18

Invoicing Related Standards:

Standards:
3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.18, 3.3.21, 3.3.22,
3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Datasets:
3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.53, 4.3.54, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Related Standards:

Definitions:

5.2.2, 5.2.4, 5.2.5

Standards:

5.3.5, 5.3.8, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.18, 5.3.19, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.26, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.55, 5.3.56, 5.3.57, 5.3.58, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.71, 5.3.72, 5.3.73

Datasets:

5.4.20, 5.4.21, 5.4.22

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.28, 10.3.29

Standards for which Waiver or Extension of Time to Comply have been granted:

<u>NAESB Standard</u>	<u>Waiver or Extension of Time</u>
0.3.23	Extension of Time
0.4.1	Extension of Time
0.4.2	Extension of Time
0.4.3	Extension of Time
1.3.3	Extension of Time
1.3.37	Extension of Time
1.3.45	Extension of Time
1.3.56	Extension of Time
1.3.65	Extension of Time
1.4.1	Extension of Time
1.4.2	Extension of Time
1.4.3	Extension of Time
1.4.4	Extension of Time

1.4.5	Extension of Time
1.4.6	Extension of Time
1.4.7	Extension of Time
2.4.1	Extension of Time
2.4.2	Extension of Time
2.4.3	Extension of Time
2.4.4	Extension of Time
2.4.5	Extension of Time
2.4.6	Extension of Time
2.4.7	Extension of Time
2.4.8	Extension of Time
2.4.17	Extension of Time
2.4.18	Extension of Time
3.4.1	Extension of Time
3.4.2	Extension of Time
3.4.3	Extension of Time
3.4.4	Extension of Time
4.3.44	Extension of Time
4.3.52	Extension of Time
4.3.55	Extension of Time
4.3.67	Extension of Time
4.3.80	Extension of Time
4.3.81	Extension of Time
4.3.82	Extension of Time
4.3.83	Extension of Time
4.3.84	Extension of Time
4.3.101	Extension of Time
4.3.102	Extension of Time
5.3.35	Extension of Time
5.3.70	Extension of Time
5.4.14	Extension of Time
5.4.15	Extension of Time
5.4.16	Extension of Time
5.4.17	Extension of Time
5.4.23	Extension of Time
5.4.24	Extension of Time
5.4.25	Extension of Time
5.4.26	Extension of Time
5.4.27	Extension of Time
10.3.1	Extension of Time
10.3.3	Extension of Time
10.3.4	Extension of Time
10.3.5	Extension of Time
10.3.6	Extension of Time
10.3.7	Extension of Time
10.3.8	Extension of Time
10.3.9	Extension of Time
10.3.10	Extension of Time
10.3.11	Extension of Time
10.3.12	Extension of Time
10.3.14	Extension of Time
10.3.15	Extension of Time
10.3.16	Extension of Time
10.3.17	Extension of Time

10.3.18	Extension of Time
10.3.19	Extension of Time
10.3.20	Extension of Time
10.3.21	Extension of Time
10.3.22	Extension of Time
10.3.23	Extension of Time
10.3.24	Extension of Time
10.3.25	Extension of Time
10.3.26	Extension of Time
10.3.27	Extension of Time

With regard to definition 2.2.2, Company's System will comprise a single Operational Impact Area.

Company's incorporation of the Internet Electronic Transport Related Standards is subject to the limited waiver FERC granted Company regarding an extension of time to implement Electronic Data Interchange (EDI), Electronic Delivery Mechanism (EDM), and Internet Electronic Transport (IET) requirements communications until ninety (90) days following a request that it provides such communications.

6.24 GENERAL TERMS AND CONDITIONS – JOINT OBLIGATIONS

24. JOINT OBLIGATIONS

When Customer under a Storage Service Agreement consists of two or more Persons, the obligations of such Persons under such Storage Service Agreement will be joint and several and, except as otherwise provided, any action provided to be taken by Customer will be taken by such Persons jointly.

6.25 GENERAL TERMS AND CONDITIONS – WAIVERS

25. WAIVERS

Company may waive any of its rights hereunder or any obligations of Customer on a basis which is not unduly discriminatory; provided that no waiver by either Customer or Company of any one or more defaults by the other in the performance of any provision of the Storage Service Agreement between Customer and Company will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

6.26 GENERAL TERMS AND CONDITIONS – MODIFICATION

26. MODIFICATION

No modification to the terms and provisions of any Storage Service Agreement or Exhibit will be or become effective unless the Parties have entered into a superseding Storage Service Agreement or Exhibit.

6.27 GENERAL TERMS AND CONDITIONS – ASSIGNMENT

27. ASSIGNMENT

- 27.1 Any entity which succeeds by purchase, merger, reorganization, incorporation, reincorporation, reconstitution, consolidation or otherwise to the properties substantially as an entirety, of Company or of Customer, will be entitled to the rights and will be subject to the obligations of its predecessors in title under a Storage Service Agreement; provided, however, Company reserves the right to evaluate and approve the creditworthiness of the new entity and request additional assurances in accordance with GT&C 31.
- 27.2 In accordance with the capacity release procedures set forth in GT&C 4, Customer may, without relieving itself of its obligations under such Storage Service Agreement, assign any of its rights and obligations thereunder to another Customer, but otherwise no assignment of such Storage Service Agreement, or of any of the rights or obligations thereunder will be made unless Customer first obtains the consent of Company, in the event of an assignment by Customer, or the consent of Customer, in the event of an assignment by Company.
- 27.3 These restrictions on assignment will not in any way prevent any Party from pledging or mortgaging its rights under a Storage Service Agreement as security for its indebtedness.

6.28 GENERAL TERMS AND CONDITIONS – DEFAULT AND TERMINATION

28. DEFAULT AND TERMINATION

28.1 Customer will be in default under this Tariff or Storage Service Agreement if:

- (a) Customer fails to pay any sums due to Company and such failure continues for a period of five (5) Business Days after written notice to Customer;
- (b) Customer fails to perform any of material covenants or obligations under this Tariff or Storage Service Agreement, other than obligations to make payments to Company, and Customer does not remedy the failure within a period of thirty (30) days after receipt of notice from Company;
- (c) Customer or its Guarantor becomes insolvent, as set forth in GT&C 31.4; or
- (d) Customer fails to provide or maintain financial assurances pursuant to GT&C 31.5.

Customer will indemnify and hold harmless Company from and against any costs or losses resulting from (a), (b), (c) or (d) above.

28.2 In the event of Default by Customer, in addition to all other remedies available to it pursuant to the Storage Service Agreement or at law and in equity, Company may do any or all of the following:

- (a) Refuse to accept further deliveries of Gas from or on behalf of Customer pursuant to Storage Service Agreement;
- (b) Refuse to deliver Gas to or on behalf of Customer pursuant to Storage Service Agreement;
- (c) Set off any amount owing by Company to Customer pursuant to Storage Service Agreement against amounts otherwise owing by Customer to Company pursuant to any other Storage Service Agreement;
- (d) Suspend performance until Customer corrects default in full;
- (e) Terminate Customer's Storage Service Agreement, provided that Company provides not less than thirty (30) days notice of such termination to Customer and FERC; and
- (f) Assert any lien or other interest, consistent with applicable law, against Gas Customer may have remaining in the System.

28.3 Customer will not be obligated to pay Reservation Charges for suspended service during any period of suspension pursuant to GT&C 28.2 above.

6.29 GENERAL TERMS AND CONDITIONS – FEES AND CONSTRUCTION OF NEW FACILITIES

29. FEES AND CONSTRUCTION OF NEW FACILITIES

- 29.1 Except as provided in GT&C 29.2 below, Customer will reimburse Company (a) for the cost of any facilities installed by Company with Customer's consent to receive, measure, store or deliver Gas for Customer and (b) for all filings and approval fees required in connection with Customer's Storage Service Agreement that Company is obligated to pay a Governmental Authority having jurisdiction. Any reimbursement due Company by Customer pursuant to this GT&C 29.1 will be due and payable to Company within ten (10) days of receipt by Customer of Company's invoice for same; provided, however, that subject to Company's consent, such reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to extend beyond the primary contract term of the Storage Service Agreement between the Parties. Carrying charges will be computed utilizing interest factors acceptable to the Parties.
- 29.2 Company may waive from time to time, at its discretion, all or a portion of the System cost reimbursement requirement set forth in GT&C 29.1 above for Firm Storage Service if Customer provides Company adequate assurances to make construction of the facilities economical to Company. All requests for waiver will be handled by Company in a manner which is not unduly discriminatory. For purposes of determining whether a project is economical, Company will evaluate projects on the basis of various economic criteria, which will include the estimated cost of the facilities, operating and maintenance as well as administrative and general expenses attributable to the facilities, revenues Company estimates will be generated as a result of such construction, and availability of capital funds on terms and conditions acceptable to Company. In estimating the revenues to be generated, Company will evaluate the existence of capacity limitations upstream and downstream of the facilities, the marketability of the capacity, the Interruptible versus the firm nature of the service, and other similar factors that impact whether the available capacity will actually be utilized.

6.30 GENERAL TERMS AND CONDITIONS – OFF-SYSTEM CAPACITY

30. OFF-SYSTEM CAPACITY

Company may, from time to time, acquire transportation and/or storage capacity on a third-party system. Company will only provide transportation and storage services for others using such capacity pursuant to this Tariff subject to its rates approved by FERC and the “Shipper Must Have Title” policy is waived to permit such use.

Any Off-System capacity acquired by Company for the benefit of a Customer which is not used by such Customer, shall be offered to Company’s other Customers pursuant to this Tariff and subject to the rates set forth in each Customer’s Storage Service Agreement plus any applicable third-party commodity or fuel charges. Company will indicate in its posting of any Off-System capacity available for service, and whether any third-party charges will apply to the use of such Off-System capacity.

6.31 GENERAL TERMS AND CONDITIONS – CREDITWORTHINESS - FINANCIAL ASSURANCES

31. CREDITWORTHINESS - FINANCIAL ASSURANCES

31.1 Company's acceptance of Customer's request for new service, the initiation of service or continuation of service to Customer who has entered into a Storage Service Agreement with Company under any Rate Schedule is contingent upon a determination by Company that the overall financial condition of Customer is acceptable to Company which determination will be based on a credit appraisal of the Customer that is conducted on a not unduly discriminatory basis utilizing consistent financial evaluation standards to determine the acceptability of Customer's overall financial condition from time to time.

31.2 Customer will be deemed creditworthy for amounts set forth in GT&C(s) 31.6 (a) and (b) if (i) its long-term unsecured debt securities are rated at least BBB- by Standard & Poor's Corporation ("S&P") or Baa3 by Moody's Investor Service ("Moody's") (or if Customer has obtained an equivalent S&P or Moody's issuer rating), (ii) Customer's short term and long term outlook opinion is Stable or Positive from S&P or Moody's, and (iii) Customer provides the information specified in GT&C(s) 31.3(c)–(f). In the event Customer is rated by multiple agencies, the lower rating will govern.

In the event Customer is a cooperative or a municipal entity and Customer cannot demonstrate creditworthiness pursuant to the above, Customer may establish creditworthiness if:

- (a) Customer's issuer rating is of an equivalent rank or higher than the credit ratings listed above (in the event Customer is rated by multiple agencies, the lower rating will govern), provided Customer provides the information specified in GT&C(s) 31.3(c)–(f); or
- (b) Customer demonstrates to Company's reasonable satisfaction that the net present value of the sum of Customer's reservation charges, usage charges and any other associated fees and charges for the contract term is less than 15% of Customer's tangible net worth, or Customer's preceding calendar year revenues are at least six (6) times Company's anticipated charges for the ensuing 12-month period, provided Customer provides the information specified in GT&C(s) 31.3(c)–(f).

31.3 If Customer is not deemed creditworthy based solely upon the criteria set forth in GT&C 31.2, or if Customer who is deemed creditworthy based on such criteria seeks a credit limit in excess of the amounts set forth in GT&C(s) 31.6 (a) and (b), to enable Company to conduct a credit appraisal, Customer will submit the material and information set forth in GT&C(s) 31.3(a)–(g). Company's receipt of such material and information will not be deemed acceptance of a request for service by Company. Acceptance will be confirmed by Company only after Company has reviewed the material and information set forth in GT&C(s) 31.3(a)–(g) and has determined that Customer is sufficiently creditworthy. Customer will, if requested by Company, provide the material and information required by GT&C(s) 31.3(a)–(g) for its parent company and/or Guarantor. Customer will not be required to provide the material and information specified in GT&C(s) 31.3(a)–(b) if Customer agrees to provide financial assurances in accordance with GT&C(s) 31.5(a)–(e). As an alternative to Customer, or its Guarantor, providing some or all of the information specified in GT&C(s) 31.3(a)–(b), Customer may provide alternate equivalent information which Company reasonably agrees to accept or Company may rely on equivalent information that is publicly available or available through published sources.

- (a) Customer will provide current audited financial statements, annual reports, 10-K and 10-Q reports, interim financial statements with attestation by the Chief Financial Officer (or equivalent) that such statements are a true, correct and fair representation of financial condition prepared in accordance with Generally Accepted Accounting Principles and other filings with regulatory agencies which discuss Customer's

financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available (for non-public entities, in lieu of the foregoing, Customer may provide any existing sworn filing, which provides the most recent available interim financial statements and annual financial reports filed with any applicable regulatory authority, showing the Customer's current financial condition);

- (b) Customer will provide a bank reference and at least two (2) trade references. The results of reference checks and any credit reports submitted pursuant to GT&C 31.2 must show that Customer's obligations are being paid on a reasonably prompt basis;
- (c) Customer will confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception may be made for Customer who is a debtor in possession operating under Chapter XI of the U. S. Bankruptcy Code but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the Bankruptcy Court's jurisdiction;
- (d) Customer will confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to exist as an ongoing business entity;
- (e) If Customer has an existing Storage Service Agreement with Company, Customer will confirm in writing that no delinquent balances are outstanding for services previously provided by Company;
- (f) Customer will confirm in writing that no significant collection lawsuits or judgments are outstanding that are reasonably likely to have a material adverse impact on the ability of Customer to remain solvent; and
- (g) Customer will provide such other material and information as Company may reasonably request.

31.4 Company will not be required to perform or to continue service under any Rate Schedule on behalf of any Customer who is or has become insolvent or who, at Company's request, fails within a reasonable period to demonstrate creditworthiness. In such event, Company may take such action as is permitted in GT&C 28.2. For purposes of this GT&C 31 and GT&C 28 the insolvency of Customer will be conclusively demonstrated by the filing by (i) Customer, or any parent entity thereof, or Guarantor of Customer of a voluntary petition in bankruptcy, or (ii) the entry of a decree or order by a court having jurisdiction in the premises adjudging Customer, or any parent entity thereof, or Guarantor of Customer bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Customer, or any parent entity thereof, or Guarantor of Customer under the U.S. Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Customer, or any parent entity thereof, or Guarantor of Customer or of any substantial part of their property, or the ordering of the winding-up or liquidation of their affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

31.5 Upon notification by Company that Customer has failed to establish that it is creditworthy in accordance with GT&C(s) 31.2 or 31.3, or subsequently during the term of the Storage Service Agreement that Customer no longer satisfies the creditworthiness criteria set forth in GT&C(s) 31.2 or 31.3, such Customer may still obtain or retain service if it (i) pays any outstanding balance due Company for service previously rendered or has complied with GT&C 14.5 with

regard to such balance and (ii) provides one or more of the following forms of financial assurances acceptable to Company:

- (a) An advance deposit; provided that such deposit will be considered collateral held for security and not advance payment for service. An advance deposit will accrue interest, calculated monthly at the published federal funds rate, for the benefit of Customer from the date Company receives the funds.
- (b) A standby irrevocable letter of credit subject to the following:
 - (1) Each letter of credit will be in effect for the lesser of one (1) year or for the term of the transaction plus sixty (60) days or, if in effect for less than one (1) year, will contain a special provision to automatically renew upon expiration of the then effective letter of credit. If the term of the transaction plus sixty (60) days is greater than one (1) year, Customer will ensure that its obligation to Company is secured continuously, and accordingly will provide Company with a replacement letter of credit no later than sixty (60) days prior to the expiration of the then effective letter of credit. Company will return the expiring letter of credit to Customer within five (5) days of the date the replacement letter of credit becomes effective.
 - (2) Each letter of credit will be in form and substance satisfactory to Company, and will provide for partial drawdowns and, without limiting the generality of the foregoing, will be issued by a financial institution acceptable to Company; and
 - (3) In addition to all other remedies available to Company at law or in equity, if Customer fails to provide a replacement letter of credit in accordance with this GT&C, Company may draw upon the expiring letter of credit to the full amount thereof and apply the funds so drawn in payment in whole or in part of the obligations of Customer under Customer's Storage Service Agreements.
- (c) A security interest in collateral acceptable to Company.
- (d) A guaranty, in form and substance acceptable to Company, by another Person (the "Guarantor") deemed creditworthy by Company. Guarantor will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by S&P or Baa3 by Moody's (or if Guarantor has obtained an equivalent S&P or Moody's issuer rating), (ii) Guarantor's short term and long term outlook opinion is Stable or Positive from S&P or Moody's, and (iii) Guarantor provides the information specified in GT&C(s) 31.3(c)–(f). In the event Guarantor is rated by multiple agencies, the lower rating will govern.
- (e) Other forms of financial assurances acceptable to Company to secure Customer's obligations under the Storage Service Agreements, provided that Company may reject or accept such other forms of financial assurances in a manner that is not unduly discriminatory.

31.6 Company will notify Customer if Company requests financial assurances in accordance with GT&C 31.5. If Company rejects financial assurances offered by Customer in accordance with GT&C(s) 31.5(a)–(e), Company will re-issue its request for financial assurances and will include an explanation for the rejection of the financial assurances previously offered by Customer. The amount of financial assurances Customer is required to provide will be

calculated as follows (subject to Company's determination of Customer's credit limit, in the manner described in GT&C 31.7), aggregated for all of Customer's Storage Service Agreements:

- (a) For firm service, an amount equal to the sum of the three (3) highest months' worth of Reservation Charges during a Contract Year or the duration of Customer's Storage Service Agreement, whichever is shorter, at the reservation rates specified in Customer's Storage Service Agreement or, when Customer has not yet entered into a Storage Service Agreement, at a reservation rate which Company, acting reasonably, deems reflective of the current market rate for firm service comparable to those Customer proposes to purchase.
- (b) For Interruptible service, an amount equal to an estimate of the value of fifteen (15) Days of service at the maximum utilization per month for three (3) months or the duration of the Customer's Storage Service Agreement, whichever is shorter, and calculated at the rate specified in Customer's Storage Service Agreement or, when Customer has not yet entered into a Storage Service Agreement, at a rate which Company, acting reasonably, deems reflective of the current market rate for Interruptible service comparable to those Customer proposes to purchase. Customer will be required to comply with all of Company's credit requirements by the time Customer requests service under an Interruptible Storage Service Agreement.
- (c) For service that is originally subscribed in connection with construction of facilities, no less than the amount set forth in the Customer's precedent agreement related to such construction.
- (d) The financial assurances amount calculated pursuant to GT&C(s) 31.6 (a) and (b) will be increased by the market value, as determined by Company, of Gas loaned to Customer pursuant to Customer's Storage Service Agreement that contemplates loan service. Company will be entitled to recalculate the value of loaned Gas as frequently as each day. Company will calculate the market value of loaned gas using the unit price for the Henry Hub Natural Gas Futures Contract, as posted on the www.cmegroup.com web site plus System basis for the period under which the loaned Gas is scheduled to be returned pursuant to Customer's Storage Service Agreement(s), multiplied by Customer's quantity of loaned Gas, plus any applicable transportation cost. Company has the right to notify Customer when such recalculation indicates that additional credit support is required to comply with the requirements of this GT&C 31 based on a ten percent (10%) increase in the daily computation of the amount of financial assurances over the financial assurances previously provided by Customer. Customer has two (2) Business Days to comply with a notification by Company of insufficient financial assurances.
- (e) For service that requires Company to construct new facilities, an amount determined by Company prior to the start of construction that is reasonable in light of the risks of the construction project, not to exceed Customer's proportional share of the cost of the facilities to be constructed (which amount will be reduced as Customer pays off the obligation for construction of new facilities).

Forecasted activity will be used to calculate the amount of financial assurances if actual data is not available. With respect to a request for new service, any financial assurances required by Company must be received by Company before Company is obligated to perform services for Customer. For Capacity Release Umbrella Agreements, Customer will be required to comply with all of Company's credit requirements before Customer submits a bid to acquire released capacity pursuant to GT&C 4.

- 31.7 Company will from time to time determine an Unsecured Collateral Limit for each Customer. The Unsecured Collateral Limit may be stated as a dollar amount or by reference to activity under Customer's Storage Service Agreements. The amount of financial assurances that Customer may be required to provide from time to time will be calculated in accordance with GT&C 31.6, minus Customer's Unsecured Collateral Limit. A Customer deemed creditworthy pursuant to GT&C 31.2 has an Unsecured Collateral Limit equivalent to the amounts described in GT&C(s) 31.6 (a) and (b) unless Customer demonstrates to Company's satisfaction pursuant to GT&C 31.3 that its financial position warrants a higher credit limit.
- 31.8 For any Customer for which Company has established a credit limit greater than zero (0) or for Customers deemed creditworthy pursuant to GT&C 31.2 which seek a credit limit in excess of the amount set forth in GT&C(s) 31.6 (a) and (b), upon request by Company before service begins or during the period of service, Customer will provide Company with updated financial material and information in the form specified in GT&C(s) 31.3(a)-(g). Company will re-evaluate Customer's creditworthiness based upon the updated material and information provided by Customer, in accordance with GT&C 31.3.
- 31.9 If Customer's credit standing ceases to meet Company's credit requirements before service begins or during the period of service, then Company has the right to require additional financial assurances as specified in GT&C 31.5. With respect to an existing Service Agreement, Customer must tender the financial assurances required by GT&C 31.5 within two (2) Business Days of Company's notification. If such financial assurances are not received within the specified time period, then Company may immediately suspend service, and may terminate Customer's Storage Service Agreement upon thirty (30) days notice to Customer and FERC, in accordance with GT&C 28.
- If the credit standing of any entity issuing financial assurances in support of Customer's obligations ceases to satisfy the criteria set forth in GT&C(s) 31.2 and 31.3 before service begins or during the period of service, then Company has the right to require Customer to provide replacement financial assurances that satisfies the requirements of GT&C 31.5 within two (2) Business Days of Company's notification. If such financial assurances are not received within the specified time period, then Company may immediately suspend service, and may terminate Customer's Storage Service Agreement upon thirty (30) days notice to Customer and FERC in accordance with GT&C 28.
- 31.10 In the event any material and information provided by Customer pursuant to GT&C(s) 31.3(a)-(g) with respect to a request for new service materially changes prior to entering into a new Storage Service Agreement, or Customer learns that such material and information may materially change prior to entering into a Storage Service Agreement, Customer will be obligated to provide written notice of such material change to Company. Company may require Customer to resubmit any or all of the financial material and information required in GT&C(s) 31.3(a)-(g). Company will reevaluate Customer's creditworthiness based upon the updated material and information.

In addition to the requirements above, Company's determination of Customer's creditworthiness will be subject to the following procedures:

- (a) If Company requests additional material and information to be used for credit evaluation after the initiation of service, Company, contemporaneous with the request, will provide its reason(s) for requesting the additional material and information to Customer and Company will designate to whom the response will be sent. Company and Customer may mutually agree to waive the requirements of this standard.
- (b) Upon receipt of either an initial or follow-up request from Company for material and information to be used for creditworthiness evaluation, Customer's authorized

representative(s) will acknowledge receipt of Company's request. Company and Customer may mutually agree to waive the requirements of this standard.

- (c) Customer's authorized representative(s) will respond to Company's request for credit material and information, as allowed by this Tariff, on or before the due date specified in the request. Customer will provide all the credit material and information requested by Company or provide the reason(s) why any of the requested information was not provided.
- (d) Upon receipt from Customer of all credit material and information provided pursuant to applicable NAESB WGQ standards, Company will notify Customer's authorized representative(s) that it has received such material and information. Company and Customer may mutually agree to waive the requirements of this standard.
- (e) Customer will designate up to two (2) representatives who are authorized to receive notices regarding Customer's creditworthiness, including requests for additional material and information, pursuant to the applicable NAESB WGQ standards and will provide to Company the electronic addresses of such representatives prior to the initiation of service. Written requests and responses will be provided via electronic transmission, unless otherwise agreed to by the Parties. The obligation of Company to provide creditworthiness notifications is waived until the above requirement has been met. Customer will manage internal distribution of any creditworthiness notices that are received.
- (f) Company will designate, on its Internet Website or in notices to Customer, the electronic addresses of up to two (2) representatives who are authorized to receive notices regarding Customer's creditworthiness. Customer's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and Company will manage internal distribution of any such confirmations.
- (g) At any time after Customer is determined to be non-creditworthy by Company, Customer may request a creditworthiness re-evaluation by Company. As part of Customer's re-evaluation request, Customer will either update or confirm in writing the prior material and information provided to Company related to Customer's creditworthiness. Such updates will include any event(s) that Customer believes could lead to a material change in Customer's creditworthiness.
- (h) After Company's receipt of Customer's request for re-evaluation, including all required material and information pursuant to NAESB WGQ Standard 0.3.8 ("Customer's Request"), within five (5) Business Days, Company will provide a written response to Customer's Request. Such written response will include either a determination of creditworthiness status, clearly stating the reason(s) for Company's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event will such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of Customer's Request unless specified in this Tariff or the Parties mutually agree to some later date.
- (i) In complying with the creditworthiness related notifications pursuant to the applicable NAESB WGQ standards, Customer and Company may mutually agree to other forms of communication in lieu of electronic transmission.

6.32 GENERAL TERMS AND CONDITIONS – DISPOSITION OF RETAINED QUANTITIES

32. DISPOSITION OF RETAINED QUANTITIES

- 32.1 In the event that Company holds an auction for quantities of Gas retained pursuant to Rate Schedules FSS, FPS, ESS, EPS, ISS, IPS, or IBS, Company will post such quantity on its Internet Website as soon as reasonably practicable. Company will accept bids only during the time period from 7:00 a.m. until 11:00 a.m. CCT on the second (2nd) Business Day following such posting. Company will award purchase of the Gas to Customer submitting the highest bid, and will notify bidder submitting the highest bid prior to 4:00 p.m. CCT of the same Day on which Company accepts bids; provided, however, Company reserves the right to reject all bids. When Gas is purchased at auction, Customer must provide identification of the existing Storage Service Agreement with Company under which Customer will store the Gas in the System. Company will prepare and submit invoice to Customer for payment for awarded Gas. Title of awarded purchased Gas will not transfer to Customer until Company receives full payment.
- 32.2 Company will credit eighty percent (80%) of the Net Proceeds from the auction to Customer who left Gas in storage. The remaining twenty percent (20%) of the Net Proceeds received from such auction will be credited to Customers whose Gas was not so purchased or retained (“Qualifying Customer”) based on the ratio of the total charges paid by each Qualifying Customer for service to the total amount of such charges paid by all Qualifying Customers during the Month in which the auction of Gas occurred. For the purposes of this GT&C, the term “Net Proceeds” means the total proceeds received from the auction less any costs Company incurred as a result of conducting the auction or the purchase or retention of Customer’s Gas including Reservation Charges and Withdrawal Charges at the rates then in effect or in effect at the termination of the contract, whichever is higher.
- 32.3 Such credits will be calculated for each Month of the twelve (12) Month period ending July 31 of each year and will be included on the Qualifying Customers’ invoices for the Month following the date of the final Commission order approving Company’s penalty disbursement report; provided, however, that Company will calculate and include such credits on Qualifying Customers’ invoices for a period shorter than twelve (12) Months in the event and to the extent that the total accumulated amount pursuant to GT&C 32 by Company as of the end of any Month exceeds \$1,000,000. Company will file a penalty disbursement report within sixty (60) days of July 31 or sixty (60) days after the end of the Month in which the revenue collected exceeds \$1,000,000. Any revenues credited to Qualifying Customers pursuant to GT&C 32 will include interest calculated in accordance with 18 C.F.R. §154.501(d).

6.33 GENERAL TERMS AND CONDITIONS – WAREHOUSEMEN'S LIEN

33. WAREHOUSEMEN'S LIEN

- 33.1 CUSTOMER HEREBY ACKNOWLEDGES THAT COMPANY WILL BE ENTITLED TO, AND COMPANY HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY COMPANY FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY COMPANY, AS PROVIDED IN SECTION 7-209 OF THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT COMPANY WILL BE ENTITLED TO, AND COMPANY HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN WILL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.
- 33.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO SECTION 7-202 OF THE TEXAS UNIFORM COMMERCIAL CODE, CUSTOMER HEREBY AGREES THAT:
- (A) CUSTOMER'S STORAGE SERVICE AGREEMENT(S), WITH ALL SCHEDULES AND EXHIBITS THERETO, AND ALL OF THE MONTHLY STATEMENTS RENDERED BY COMPANY TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN COMPANY'S TARIFF, WILL BE DEEMED A "WAREHOUSE RECEIPT" FOR ALL PURPOSES WITH RESPECT TO CHAPTER 7 OF THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO CUSTOMER'S STORAGE SERVICE AGREEMENT(S) IS RECEIVED;
 - (B) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN CUSTOMERS STORAGE SERVICE AGREEMENT(S) AND THE MONTHLY INVOICE;
 - (C) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS WILL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED;
 - (D) THE CONSECUTIVE NUMBER OF THE RECEIPT WILL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF CUSTOMER'S STORAGE SERVICE AGREEMENT(S); AND
 - (E) THE SIGNATURE OF COMPANY ON CUSTOMER'S STORAGE SERVICE AGREEMENT(S) WILL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

6.34 GENERAL TERMS AND CONDITIONS –ELECTRONIC CONTRACTING PROCEDURE

34. ELECTONIC CONTRACTING PROCEDURE

- 34.1 Parties may enter into transactions and create binding obligations by means of electronic contracting under these procedures. Documents that are subject to electronic contracting include, but are not limited to, Storage Service Agreements, Exhibits to Storage Service Agreements, capacity release transactions, and any other agreements or forms that Company will make available on its Internet Website (“Documents”).
- 34.2 Should Parties come to an understanding regarding an agreement, a record of such agreement will be sent by Company to Customer by electronic means by the close of the Business Day following the date of agreement (provided that failure to meet such deadline will not invalidate the agreement), which record will include all of information required under the applicable Form of Storage Service Agreement set forth in this Tariff or form that is available on Company’s Internet Website.
- 34.3 If Company’s record regarding the agreement is different in any respect from Customer’s understanding of the agreement, Customer will notify Company indicating the difference by electronic means sent by the Confirm Deadline. Customer will be bound by the terms of the agreement as described in Company’s record, if Customer does not notify Company by the Confirm Deadline that the record is different in any respect from Customer’s understanding, or Customer indicates its acceptance to the agreement by electronic transmission, or Customer submits a nomination for service under the agreement. If Customer provides Company notice that a record differs from Customer’s understanding of the agreement, then no agreement will be binding on Customer until Company has sent a new record regarding the agreement and such recording is agreed pursuant to the terms of GT&C 34.2 above and this GT&C 34.3.
- 34.4 The Documents that have been agreed to under this GT&C will be considered to be a “writing” or “in writing” and any such Document will be deemed for all purposes (a) to have been “signed” (“Signed Documents”) and (b) to constitute an “original” when printed from electronic files or records established and maintained in the normal course of business. All parties agree not to contest the validity or enforceability of such electronic signatures under the provision of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be bound thereby, provided that the signature has been made in accordance with the terms of this Tariff. Further, Signed Documents, if introduced as evidence on paper in any judicial, arbitration, mediation or administrative proceeding, will be admissible as between or among the Parties to the same extent and under the same conditions as other business records originated and maintained in paper documentary forms. Any record generated by the Parties with respect to this Tariff or any agreement may be imaged and stored electronically (“Imaged Documents”). Imaged Documents may be introduced as evidence in any proceeding as if such were original business records and neither party will contest the admissibility of Imaged Documents as evidence in any proceeding.
- 34.5 For purposes of this GT&C 34, unless the Parties otherwise agree, “Confirm Deadline” means 5:00 p.m. CCT on the second (2nd) Business Day following the Day the record of an agreement is sent.